

Aoun Accepts Call For Lebanon Truce, But Muslims Resist

By Ihsan A. Hijazi

BEIRUT — Artillery and rocket duels raged Wednesday despite urgent calls for a truce from the United Nations Security Council and Arab mediators.

The battles were in sharp contrast with statements from the heads of the rival Muslim and Christian cabinets here. Major General Michel Aoun, the Christian leader, said he accepted the Security Council's call unconditionally and would abide by it.

[In an interview with The Washington Post, General Aoun said that although he welcomed the Security Council appeal, he reserved "the natural right for self-defense."

"I speak in very clear language," he said. "The Security Council has called for a cease-fire and a lifting of sieges. I accept, and I have asked non-military ships to bring in supplies. Let us see how the Syrians are going to behave." He spoke by telephone from the residence of the presidential palace at Nabatieh.

The general is the prime minister of a military administration that is vying for power with a civilian government headed by Salim Hoss.

Mr. Hoss cabled the president of the Security Council welcoming the cease-fire statement.

But a main Muslim militia involved in the fighting asserted in response to the appeal that there would be no cease-fire before General Aoun was ousted.

The stand was taken by the Progressive Socialist Party, consisting of Druze fighters led by Walid Jumblatt. "There are only two ways to deal with the prevailing crisis," a statement read. "Either Aoun falls or the fighting will continue." The statement called on the Security Council to carry out resolutions adopted earlier, which sought Israeli withdrawal from Lebanese territory.

Israeli troops control an enclave in southern Lebanon that they call their security zone. They carved out the 300-square-mile (770-square-kilometer) section to protect northern Israel against cross-border guerrilla incursions.

There has been no immediate reaction to the proposal from the Syrians, General Aoun's main adversaries. They maintain that they are not a party to the conflict and that therefore it is not up to them to take a position.

The Syrians, with 40,000 soldiers in Lebanon, have maintained a tight blockade against the Christian enclave. They have said their purpose is to stop further Iraqi arms shipments from reaching General Aoun's forces. Bombardment of the ports brought on immediate response from Christian forces. Muslim militia sources said Syrian commanders issued orders Wednesday that their troops observe a truce on land as of noon. But the maritime embargo against the Christian coastline will continue.

Mr. Jumblatt's party was one of 18 Lebanese Muslim and leftist militias that met in Damascus on Tuesday under Syrian and Iranian auspices.

The participants, who included the pro-Iranian Hezbollah, or Party of God, announced the formation of a new coalition.

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A man loading his belongings onto a truck in Muslim West Beirut on Wednesday. Artillery fire has forced increasing numbers to flee.

Walesa Named Candidate for Prime Minister

Solidarity, Smaller Parties Give Him Full Endorsement

By John Tagliabue

New York Times Service

WARSAW — Solidarity and two small parties that traditionally have supported Poland's governing Communist Party appeared Wednesday night to have reached a broad agreement on forming a cabinet led by Solidarity.

[Mr. Walesa was approved as a candidate for prime minister late Wednesday in a vote by parliamentarians from Solidarity and two non-Communist political parties, Reuters and The Associated Press reported from Warsaw. Deputies overwhelmingly passed a resolution reading: "We think a parliamentary coalition of the United Peasants' Party, the Democratic Party and Solidarity can form a government of national responsibility under the leadership of Lech Walesa."

The Solidarity caucus said it would discuss a motion calling for the nomination of the movement's founder, Lech Walesa, as prime minister. But delegates of the two other parties indicated they regarded personnel discussions as premature.

The Communist Party's leader, meanwhile, warned that his party faced a serious struggle for power.

Members of a joint caucus of Solidarity and the Peasant and Democratic parties that met through most of the day made known that their leaders would likely be prepared to present such a proposal to President Wojciech Jaruzelski as early as Thursday.

It was uncertain how General Jaruzelski, who called Tuesday for a meeting of Poland's principal political forces to discuss the government crisis, would react to such a proposal.

Late Wednesday, the Polish television reported that the recently

elected chief of state was meeting with the Cardinal Jozef Glemp, the primate of Poland, to discuss solutions to the "political, social and economic problems of the country."

On the possibility of Mr. Walesa's nomination as prime minister, Teresa Liszez, a strongly pro-Solidarity deputy from the United Peasants' Party, said: "First we can enter a coalition, then we can talk about details."

It was unclear how Poland's principal ally, the Soviet Union, would react to the prospect of the formation of a non-Communist cabinet to run the affairs of its largest and most populous East bloc neighbor.

This week, officials in Moscow and the Soviet press voiced concern over efforts to form a Solidarity-led government.

To allay such concern, Mr. Walesa on Tuesday issued an assurance that key ministries such as Defense and Internal Affairs could remain in the hands of Communist ministers, under a Solidarity cabinet chief.

Such a government, he said, would be led by forces, "that are not destroying the arrangements in Europe, that do not create dangers in connection with the way the Warsaw Pact works."

In Moscow, a spokesman for the Foreign Ministry welcomed the assurances of the Solidarity leader, Reuters reported.

"We think the statement made by Walesa was sensible when he said that Solidarity would take into account the fact that Poland is a member of the Warsaw Pact," the spokesman, Yuri Gremitskikh, said.

Wednesday night, Mr. Walesa

See POLAND, Page 2

Moscow Tells Estonia to Revise New Law

By Michael Dobbs

Washington Post Service

MOSCOW — The top Soviet state body ruled Wednesday that a controversial election law that has provoked strikes by the Russian minority in the Baltic republic of Estonia was unconstitutional and demanded that it be revised.

The move by the Presidium of the Supreme Soviet could rekindle a constitutional conflict between the central authorities in Moscow and Estonian leaders. The Estonian parliament last year adopted a constitutional amendment asserting its right to override federal legislation.

As strikes by Russian workers in Estonia entered their second week,

pressure was growing on the Estonian authorities to settle the dispute. There were signs that the unrest could spread to other republics where ethnic Russians have complained about discriminatory election and language laws.

The Estonian law restricts participation in local elections, due this year, to residents of at least two years standing. Organizations representing the Russian minority in the republic say this could disenfranchise up to one quarter of the 450,000 Russians living in Estonia.

The Soviet news agency Tass reported that the Presidium adopted a decree declaring the Estonian law to be "at variance" with the Soviet

Constitution and international human rights conventions ratified by Moscow. The Presidium session was screened on nationwide television, drawing attention to the isolation of the Estonian leadership.

"The amendments of the legislation on elections adopted in Estonia are unacceptable to us, not only juridically but also politically," said Anatoli I. Lukyanov, vice-president of the Presidium. "They lead to the aggravation of interethnic and social relations."

Mr. Lukyanov noted that the Soviet Constitution guarantees all Soviet citizens equal rights, irrespective of their ethnic origin or place of residence. He said it was imper-

missible for one of the 15 Soviet republics to adopt legislation that ran counter to the constitution.

A redrafting of the election law would mark a major climbdown for Estonia's leaders. The Estonian Communist Party chief, Vaino Valjas, who has made strenuous attempts to win the trust of the Estonian majority, said this week that the law would not be changed.

The Estonian authorities have already revoked a decree passed last week in which they declared the strike by Russian workers to be illegal. The hastily adopted decree, the first of its kind in the Soviet

See ESTONIA, Page 3

Iran Parliament Elects Hard-Liner as Speaker

Washington Post Service

CAIRO — The day before Iran's new president, Hashemi Rafsanjani, was to take the oath of office in Tehran, a hard-line cleric won the balloting Wednesday to succeed him as speaker of the 270-member Iranian parliament.

Some Iranian opposition figures immediately declared that the rise of Mehdi Karubi, 52, to the speaker's post spelled trouble for Mr. Rafsanjani. But his victory was not unexpected. Some Iranian analysts had predicted that Mr. Karubi, who by all accounts served harmoniously as the deputy speaker under Mr. Rafsanjani, would win the largest share of votes.

The speaker's job remains influential in policy-making but has been much diminished in power since Mr. Rafsanjani announced his intention to vacate it after being elected president last month.

Mr. Karubi, a founder of the Tehran Militant Clerics Association, took 147 of the 241 votes cast. His closest contender, a former interior minister, Nateq Nouri, polled 92 votes.

Mr. Nouri, a more moderate cleric than Mr. Karubi, is considered a close associate of Mr. Rafsanjani. His loss was seen by

some analysts as portending a contentious relationship between Mr. Rafsanjani and the legislature.

There was no indication, however, that Mr. Rafsanjani had endorsed either candidate. Mr. Nouri might also be in line for a cabinet position.

Mr. Rafsanjani is expected to guarantee representation in his government for Tehran's major political factions, who differ over whether to further centralize or open the economy, whether to improve relations with the West and how to adapt Islamic theology to everyday governmental and social affairs.

Less well-known among Iran's revolutionary leaders, Mr. Karubi is nonetheless a key player in Tehran's religious-based power structure. In July 1987, he led militant Iranian pilgrims on the annual hajj to Mecca, where anti-Western demonstrations turned to clashes with Saudi Arabian security forces. More than 400 pilgrims, most of them Iranian, died in the riots and Iranian-Saudi relations remain tense.

Mr. Karubi was arrested in the religious unrest led by Ayatollah Ruhollah Khomeini in Iran in 1963

See IRAN, Page 2

Inside the PLO: Brinksmanship and Anger at U.S.

By Patrick E. Tyler

Washington Post Service

TUNIS — After a yearlong string of diplomatic successes, including the start of a dialogue with Washington, the Palestine Liberation Organization has entered a period of frustration and recrimination over the failure of its leaders to secure any tangible reward for the peace initiative they launched in 1988.

At a congress in Tunis of 1,200 members of Yasser Arafat's mainstream El Fatah movement, the PLO chairman and his top lieutenants were subjected — behind closed doors — to an angry revolt by military commanders and rank-and-file guerrilla fighters who believe that the leadership has made too many concessions to Israel and the United States without any reciprocal commitment that the 21-year occupation of the West Bank and Gaza Strip will end or that Israel will accept Palestinian national rights for a homeland.

A PLO spokesman, Jamil Hilal, complained in an interview that after eight months of talking, U.S. officials still refuse to state plainly to the PLO what the State

NEWS ANALYSIS

Department means by "Palestinian national rights."

"More or less," he said, "we and the United States are still at square one."

As a result, the PLO, like last year, is again plotting a fall offensive, which may include a request for Mr. Arafat to visit the United Nations opening session in New York, a lobbying assault on Washington led by King Hassan II of Morocco and King Fahd of Saudi Arabia, visits to Washington by other senior PLO leaders, a new Arafat foray into Europe, this time to meet with Britain's new foreign secretary, and a greater level of violence in the Palestinian uprising.

The Fatah revolt was subdued after a

week of raucous debate, cajoling and haranguing by Mr. Arafat and lectures from other senior PLO commanders. But the message was clear: The PLO's pledge to pursue its objectives by peaceful means could not be open-ended, especially in the face of a mounting toll of deaths and injuries among the young stone-throwers who carry on the *intifada*, or Palestinian uprising.

As a top Fatah leader, who insisted on anonymity, said: "We had to make a promise that if there is no progress in the peace initiative, we will return to armed struggle."

The official said that "no time limit" was set by the Fatah members and that any progress in the peace process would hold the resumption of armed struggle in abeyance.

But his remarks reflected the brinksmanship that has infiltrated the relationship between PLO fighters and their aging leadership, and the brinksmanship those leaders have begun to play with the Bush administration.

"The congress demanded that the leadership stop giving concessions without getting anything in return," said Salah Khalaf, the PLO's second most senior official, who also goes by the name Abu Iyad.

"The dialogue is progressing slowly," he added, "and in my opinion I think the Americans have good intentions, but they have not crystallized or been translated into something real."

Mr. Khalaf's perspective is disputed in Washington, where officials are trying to get the PLO to go along with an offer by Prime Minister Yitzhak Shamir of Israel to hold elections in the occupied territories and then begin Palestinian-Israeli negotiations on how Palestinians might achieve limited self-rule.

But the PLO has remained adamant that

See PLO, Page 2

Klosk 2d B-2 Test Is Cut Short

EDWARDS AIR FORCE BASE, California (AP) — The second test flight of the \$530 million B-2 stealth bomber was cut short Wednesday by a low oil-pressure reading, the air force said.

The radar-evading aircraft lifted off at 7:29 A.M. for a three-to-four-hour flight but returned at 8:36 A.M. because of "minor concerns" with its indicators, an air force spokeswoman said. A low fuel-pressure gauge reading delayed the first test flight.

Each of the B-2's four engines has an accessory drive. "One out of the four drives indicated low oil pressure," she said.

General News

Prime Minister Li Peng said China could ride out Western financial sanctions. Page 6.
Many U.S. legislators are traveling abroad in August on government-funded trips. Page 2.
A U.S. airport has received a machine capable of detecting plastic explosives. Page 3.
President Bush said he would not improve relations with Cuba until Fidel Castro allows "more freedom" there. Page 2.

Sports

Roger Kingdom of the United States set a world record in the 110-meter hurdles. Page 17.

Business/Finance

U.S. economic data supported the idea that there would not be a recession. Page 9.
France is costing the European Community at least \$4 billion a year. Page 9.

Crossword Page 7.

Dow Jones	The Dollar in New York
DM 1.9405	
DM 1.5815	
Yen 142.05	
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Through the Algae, Darkly

Italian Resorts Struggle to Cope With a Sea of Slime

By Marlene Simons

New York Times Service

RIMINI, Italy — Like a symptom of a hidden sickness, a vast plague of algae has spread over much of the Adriatic Sea, sully some of Europe's finest beaches and killing marine life in this part of the Mediterranean.

On calm days, the algae produce brown and yellow layers of slime on the water until winds break them up into millions of jelly clumps that ride the waves and pile up ashore.

At dawn, before the tourists arrive, workers rush to scoop up the gelatinous mass. Scientists link the algae tides to two gentle winters and decades of almost unbridled pollution from Italy's rivers. These factors, they say, have disturbed the Adriatic's balance, destroying clams and mussels and causing human illness.

Describing a boat ride through the algae, Daniele Grossi, the head of the local fishermen's cooperative, said, "There was scum as far as you could see."

"It got into our engines," he said just after bringing his sloop into Rimini harbor. "The weight has torn the nets."

The eerie tides have crippled the tourist season along Italy's Adriatic coast, where more than 6,000 hotels frame sweeping beaches and brassy discotheques.

Officials say tourism is off this year by as many as a million visitors, more than a third of the northern Europeans who normally spend part of the summer here.

The loss of revenue is expected to exceed \$800 million. Unusual algae blooms have become a problem throughout the Mediterranean. Biologists have reported abnormally high growths off Spain, France, Greece and Turkey as well as Italy in recent summers, when the warmer water promotes the growth.

But there appear to be no records of an algae explosion matching that of the northern Adriatic. In recent weeks it has stretched for 400 miles (650 kilometers), from Istria in Yugoslavia, along Italy's coast, past Trieste and Venice, to resorts as far south as Ancona, Rimini and Pescara.

"The first front arrived on the night of July 7," said Gianfrancesco Donati, an official of the tourism board, reporting it like the sighting of an enemy.

The algae are most prevalent near the mouths of large rivers and the urban sewage outlets, where the concentration of chemicals is sometimes 10 times higher than in deeper waters.

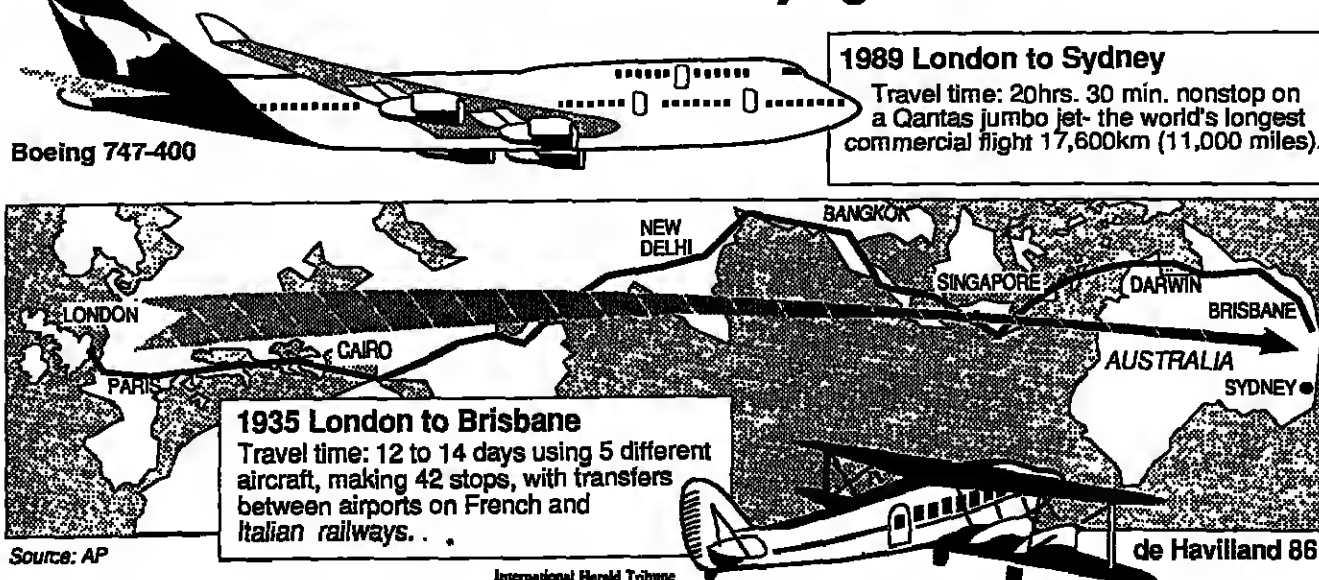
Some resorts have put down blooms of the type used to contain oil spills, hoping to keep the worst scum at bay.

In Rimini and Cesenatico, boat owners have gone out in fleets trailing truck tires behind their vessels to churn the waters and permit more oxygen to enter, breaking up the algae.

Almost every town has had a protest meeting at which politicians and business owners have vented their anger against their northern neighbors, who

See ALGAE, Page 2

London to Australia: Trying for a Record



Source: AP

For It's Odin, Dva, Tri Strikes, You're Out...

By Francis X. Clines

New York Times Service

MOSCOW — The Soviet Union has rolled out a green carpet of plastic grass, hurrying to complete the nation's first baseball stadium and apply the Soviets' patented sports-lab techniques to the subtleties of the hit and run.

The future mound was still a hole in the polygrass carpet as the commissioners of baseball ventured out onto its surface, wary as Lilliputians on a billiard table.

The Stalinesque campus building of Moscow State University brooded like a Gothic bulk in the background as the officials hunk to touch the field and pronounce it good.

"It's a joy," said Vladimir Bogatyrov,

chief of the ambitious Soviet Baseball Federation, whose son, Ilya, is one of the nation's pioneer shortstops.

"The curvball," waxed Aleksei I. Nikolov, chief of Soviet umpires, attempting to explain how such a jewel as that breaking pitch would glint brightly in the plush new setting.

"The curvball moves through a volume of space, not a flatness," he said, his hand dipping suddenly, suggesting a new sort of space race.

"If the Soviet Union is to be competitive, we must hit the inside curvball," he declared, dogmatic as Lenin.

Professor Irakly Kutateladze, a lean, cigarette-smoking sports specialist in musculature and hand-eye coordination who

knows nothing about baseball, quickly guaranteed that there would be a Big Red Machine hitting the inside curvball clear into the next century.

"The 1996 Olympics," he said, promising that medal finalists would evolve by then from his crop of specially groomed 13-year-olds who are to be exposed to his new "baseball system."

"For me, it's not necessary to study the game so much," he said, stressing that once he has scientifically selected the most promising players, their own youthful enthusiasm must carry them from first to third on a dink single. The professor already has concluded that reaction time, not endurance, is the baseball knock.

He has been studying videotapes of American baseball and watching the obvi-

ously cruder Soviet game — and planning a trip to American stadiums, but mainly to talk to team physicians and trainers.

His reputation as something of a sports wizard comes from adapting his techniques of muscle development and reaction time to steady the aim of the national shooting team well enough for a haul of recent Olympic gold.

As a measure of intent, the Soviets will soon sign to contracts — or, more accurately, hire — their first full-time national team to draw socialist salaries and do nothing much more than play baseball.

In such fashion did the Soviets coddle and prod earlier athletes and impressively

See BALL, Page 3

To Bush, Even Iran May Merit Goodwill

Buoyed by Opinion Polls, President Finds Room to Maneuver on Crisis

By R.W. Apple Jr.

WASHINGTON — President George Bush has said something that neither of his two immediate predecessors would have dared to say quite so bluntly.

"Look," he said at a news conference on the eve of his departure for a vacation at his home in Maine, "we don't have to be hostile with Iran for the rest of our lives. We've had a good relationship with them in the past. They are of strategic importance. They would be welcome back into the family of law-abiding, non-terrorist-sponsoring nations."

Former Presidents Jimmy Carter and Ronald Reagan both suffered at the hands of the Iranians. Mr. Carter lost the 1980 election, in part, because the nation saw him as incapable of freeing the American hostages in Tehran. Mr. Reagan's popularity sagged for a time, and some main aides had to resign, because of a bungled attempt to deal with a "moderate" faction in Tehran.

From 1977 to 1989, the American public kept the pressure on its leaders to do something, anything, to free hostages or at least avenge them.

Now the domestic political context seems to have changed.

In a recent New York Times-CBS News Poll, taken just before the announcement of the apparent murder of Lieutenant Colonel William R. Higgins by his Lebanese captors, only 1 percent of the respondents mentioned the plight of the hostages when asked to name the most pressing problem facing the country, whereas 22 percent mentioned the drug epidemic.

A poll taken for Time magazine by Yankelovich Clancy Shulman after Colonel Higgins' captors reported killing him — the sort of incident that in the recent past would probably have produced calls for instant retaliation — showed that 58 percent of the public favors negotiations with terrorist groups for the hostages' release, while only 33 percent favor bombing terrorist hideouts and only 40 percent would favor a commando mission.

The death of Ayatollah Ruhollah Khomeini and the coming to power in Tehran of at least marginally

more flexible political leaders is clearly one element in the changed American attitudes that have given Mr. Bush room for maneuver. So, too, is sheer fatigue, or what Joseph J. Sisco, a veteran U.S. diplomat, calls "the widespread feeling that we have been put through the wringer once too often."

But Mr. Bush's own actions have also helped.

NEWS ANALYSIS

Bush has refused to allow the current hostage crisis, as embodied in the threat by terrorists to kill Joseph J. Sisco, to dominate his attention and the public agenda.

Except for cutting short a speaking tour of the West to rush back to the White House, Mr. Bush has insisted on continuing with his normal schedule.

At his news conference Tuesday, he emphasized drugs, the budget and other issues as well as the hostages. And he kept his holiday plans intact.

"In the past the terrorists could be forgiven if they got the impression that they could bring the American government to a standstill whenever they wanted to," a Bush aide said. "The American people sometimes get the same idea. We're determined not to make that mistake."

Mr. Bush has kept his exact plans ambiguous, refusing, for example, to say what the United States would do in return if the hostages were released.

But he has tried to suggest he is open to some kind of deal without quite saying so, as he did again Tuesday with the tantalizing comment: "There's a lot of lines out there. A lot of initiatives have been taken."

His tactics and the changed situation have bought time, in the sense that threats against the hostages seem less imminent.

But things could still go wrong very quickly. Mr. Cicio or others might be killed or more hostages might be taken. That would spell failure for Mr. Bush's low-key policy, and that in turn might lead to a collapse of the public tolerance that has made it possible for him to explore new avenues.

BALL: Can Soviets Master Game?

(Continued from page 1)

conquer the once unfamiliar worlds of basketball and ice hockey.

The professor said that this fall the first two of the nation's 28 special youth academies for sports prodigies would be stocked with the best of the precious few knowledgeable Soviet baseball coaches, several of them veterans of the game by way of Cuba.

Soviet officials also say they have started a factory that by the end of the year will produce their first batch of baseballs, bats and gloves.

"The technology of making a baseball is very complicated," said Lyudmila Stepanova, a federation official who indicated she was consulting with the Eastern League in the United States about everything touching on baseball except peanuts and Cracker Jack.

Officials hope to pit the new national team, to be chosen from the best players in the Soviet championships that start here in two weeks, against superior foreign clubs in a crash program to experience the best of the game.

ESTONIA:

Law in Dispute

(Continued from page 1)

Union, had practically no effect beyond antagonizing the Russian work force in the republic.

The controversy over the Estonian election law has given the Kremlin a useful pretext for reasserting its authority over the republic that has done the most to test the limits of perestroika, the renewal drive of President Mikhail S. Gorbachev. In November, the Supreme Soviet Presidium officially invalidated a declaration of "sovereignty" by the Estonian parliament, but the issue of which laws take precedence has never been formally settled.

Tass said that the Presidium had taken into account a proposal by the Estonian leadership to redraft the election law by Oct. 1 in order to bring it into line with the federal constitution. Paving the way for possible compromise, the Presidium refrained from simply declaring the Estonian law null and void.

A spokesman for a Russian-based organization in Lithuania said that strikes would be held next month to protest a proposed new law defining Lithuanian citizenship, and that similar protests were being planned in Latvia.

Tass reported that Russian workers in Moldavia staged a two-hour warning strike Wednesday to protest a draft law making Russian the republic's official language.

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U.S. Airport Gets Ultramodern Explosives Detection System

By Nell Henderson

Washington Post Service

WASHINGTON — A 10-ton machine capable of detecting plastic explosives hidden in luggage has arrived at New York's Kennedy International Airport as the newest generation in anti-terrorism technology.

The \$1.1 million Thermal Neutron Analysis device is billed as the first machine available to detect automatically the type of plastic explosives that are believed to have caused the destruction of Pan American World Airways Flight 103 over Lockerbie, Scotland, last year, killing 270 people.

"This is the only known piece of equipment that can interrogate the inside contents of a closed container to detect plastic explosives," said Raymond A. Salazar, the Federal Aviation Adminis-

tration's director of civil aircraft security.

"That's pretty significant."

But Rosemary Wolfe, a board member of Victims of Pan Am Flight 103 who lost her 20-year-old stepdaughter in the Lockerbie crash, said, "This is just not enough. It would take many, many more of these devices for any of its effectiveness to be used."

The machine delivered Tuesday is the first of six purchased by the U.S. aviation agency for installation by the end of the year at Kennedy, London's Gatwick Airport and airports in Detroit, Miami, San Francisco and Frankfurt, West Germany. The device at Kennedy should be operating by Sept. 1, Mr. Salazar said.

The Federal Aviation Administration must decide by the end of the month whether it will require airlines to install the thermal neutron devices or similar

machines at 36 foreign and domestic airports to screen all U.S. international flights.

The thermal neutron machines are among a variety of new devices, called explosives detection systems, that have been examined by the government and U.S. airlines since Air India Flight 182 was blown out of the sky in June 1985, killing 329 people.

Investigators believe the Pan Am plane was blown up last year by plastic explosives hidden in checked luggage loaded in the forward cargo compartment, probably in a radio-cassette player.

Plastic explosives are putty-like chemical materials that can be molded into any form and are virtually transparent to X-ray detectors. X-ray detectors are useful for spotting weapons made of metal or that have identifiable shapes.

Although other new devices claim to be able to detect explosives, the thermal neutron device is the only machine available that does not rely on a human to visually interpret an image on a screen. It automatically detects the presence of the explosives through chemical analysis and alerts the worker.

The machine works by bathing the luggage in low-energy neutrons. The explosives absorb the neutrons and emit gamma radiation, which can be picked up by the machine.

"TNA is not the answer to everything, but it now represents the best technology known to experts," said David Prosper, spokesman for Transportation Secretary Samuel K. Skinner.

Although the government and the airlines are eager for the technology, they have begun a spirited debate over how soon explosive detection systems should

be installed and who should pay for them.

The Federal Aviation Administration paid for the first six thermal neutron devices, at about \$1.1 million each. The cost is expected to drop to about \$750,000 each for the first 100 manufactured and to reach about \$500,000 each thereafter. To screen all U.S. international flights would require about 400 explosives detection systems by 1992, the U.S. aviation agency said.

The airlines argue that the government should pay for the devices, while the Bush administration expects the airlines to pick up the bill.

The rule proposed by the U.S. aviation agency would give the airlines three years to acquire the equipment. The airlines, facing hundreds of millions of dollars in potential costs, have urged the agency to slow down.

U.S. Eases Its Demands On Noriega

By Robert Pear

New York Times Service

WASHINGTON — Administration officials say the United States is backing away from demands that General Manuel Antonio Noriega leave Panama and is willing to let him stay if he surrenders power.

"Our position is Noriega should leave office," a State Department official said. "We want a democratic transition. The United States is not insisting that Noriega leave Panama. Our position is he should leave power. Everything after that is up to the Panamanians; it ceases to be our business."

But leaving other options open, President George Bush declined at a news conference Tuesday to rule out the possibility that the United States might try to abduct the Panamanian leader and bring him to the United States to stand trial on drug-trafficking charges.

His refusal to rule out the abduction of General Noriega appeared to be one more move in a war of nerves with Panama.

In June, Vice President Dan Quayle said, "Our bottom line is that Noriega must leave, not only power, but it's our position that he must leave the country."

The Reagan administration was so determined to get General Noriega out of Panama that it offered to drop criminal charges against him if he left the country.

At a news conference in May 1988, George P. Shultz, then secretary of state, said the U.S. goal was to get General Noriega "out of power and out of Panama."

But in an effort to get General Noriega to give up power by Sept. 1, the Bush administration is no longer demanding that he leave Panama. The September date is crucial because the constitutional mandate of Eric Arturo Delvalle, the ousted president, expires then.

Mr. Delvalle is still recognized by the United States as the lawful president of Panama, even though he was removed by supporters of General Noriega in February 1988 and has for the most part been living outside Panama since December 1988.

It is not clear who, if anyone, will be recognized as president of Panama next month. Elections on May 7 were annulled after unofficial results, supported by international observers, showed General Noriega losing.

An administration official said the United States was being "intentionally ambiguous" about whether General Noriega must leave Panama. "We want whatever works," he said.

If General Noriega gives up power without leaving Panama, Washington would be satisfied, he said.

Having failed to unseat General Noriega through economic sanctions and other forms of pressure, the Bush administration is now hoping that the Organization of American States can achieve the goal through negotiations. The OAS established a team of three mediators to work on the problem, but so far they have had no success.

The three OAS mediators, the foreign ministers of Ecuador, Guatemala and Trinidad and Tobago, plan to return to Panama this week.



OPENING COURTESY — Michael H. Armacost, U.S. ambassador to Japan, during his first call Wednesday on the new prime minister, Toshiki Kaifu, at the Japanese leader's official residence. Mr. Kaifu is expected to make his first official visit to the United States in September.

Ortega Details Plan to Release 1,500 in Conciliatory Gesture

By Mark A. Uhlig

New York Times Service

PANTASMA, Nicaragua — In a broad new gesture of conciliation toward anti-government rebels and their sympathizers, President Daniel Ortega Saavedra has announced that the government will release as many as 1,500 Nicaraguans imprisoned for taking part in the contra war or supporting the rebels.

The release, which is to take place Sept. 3, would free most or all of the largest group of prisoners who remain confined for having opposed the government through force or the advocacy of force.

It would mark a big step toward a general amnesty that the Ortega government has promised to grant on the demobilization of the contras, encamped in Honduras.

Last week, Mr. Ortega and four other Central American presidents signed an agreement in Tela, Honduras, calling for the dismantling of the rebel camps and the voluntary repatriation or relocation of the 6,000 to 10,000 rebels who remain there.

Mr. Ortega said Tuesday that the prisoners covered by the release accounted for nearly all of those held for having opposed the government, excluding 39 former members of the Nicaraguan National Guard imprisoned when the Sandinista Front came to power in 1979.

In a prisoner release in March, 1,894 former national guard members were given a pardon and allowed to return to their homes or leave the country.

Rebel leaders and human-rights organizers in Nicaragua have asserted that the number of such prisoners is higher than the figures pre-

sented by Mr. Ortega and other government officials.

Lino Hernandez Trigueros, director of the Permanent Commission on Human Rights, an independent group in Managua, has said the number of prisoners in the category described by Mr. Ortega should be no fewer than 6,000.

Mr. Ortega's announcement, before a crowd of about 4,000 residents and soldiers, set a tone of conciliation. As a setting for his speech, he chose the remote northern town of Pantasma, which has become noted in the eight-year war as a center of contra activity and a target of rebel attacks.

Mr. Ortega went out of his way to assure his listeners that his government would not pursue a vendetta against the rebels.

"We aren't interested in taking revenge against them," Mr. Ortega said, referring to the current and former contra soldiers. "The majority of them have also been victims of the Yankees."

Referring to the Tela accord, which he described as a "victory for the Nicaraguan people," Mr. Ortega expressed hope that contras who remain in Honduras would accept Nicaraguan offers of amnesty.

Recalling his years of imprisonment during the rule of Anastasio Somoza, who was deposed by the Sandinistas, Mr. Ortega said he had sympathy for his captors, and he compared them to the contras.

Calling them *campesinos*, or country folk, Mr. Ortega added, "They were simple people who joined the guard out of necessity."

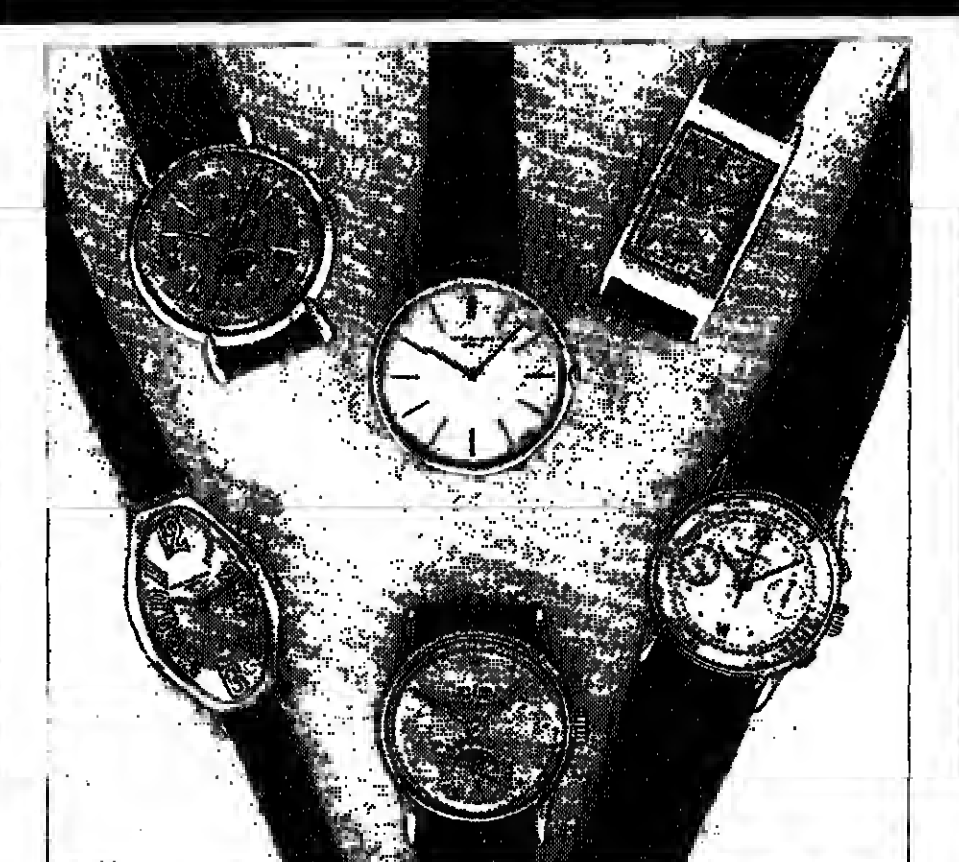
He said the release of the contra fighters and supporters would take place on Sept. 3, a traditional holi-

day in honor of campesinos.

But as a "gesture of goodwill," he announced the immediate release of more than two-dozen prisoners, who were brought on stage at the outdoor rally.

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Bad to Worse in Beirut

The unspeakably bad has become the unimaginably worse. Fourteen years of civil war have killed more than 100,000 of tiny Lebanon's people, destroyed its economy and left its communities in ruins. Now five months of artillery battles between Christian and Syrian forces have almost emptied Beirut of its 1.5 million residents.

Many strands of reason and blame have twisted together to sustain the long civil war. But the new carnage has been unleashed by the deliberate, suicidally stubborn strategy of one man, General Michel Aoun, the Maronite Catholic army leader. He deliberately provoked a ruthless enemy, Syria, to murderous violence in the hope of compelling the West to come to his rescue. Western leaders would serve the interests of all Lebanese by making clear that they will not be drawn in.

That sounds cruel in the face of Syria's brutal counterattacks. It is easy to sympathize with Lebanese who say they wish simply to expel foreign forces from their country. But Lebanese reality isn't simple.

Lebanon was, and is, a place of many tribes. Power in the old Lebanese state was apportioned on the basis of the 1932 census. A constitutional formula created 24 parliamentary seats among five different Christian sects and 20 among Sunni Muslims, Shiite Muslims and Druze. The president would always be a Maronite, the prime minister a Sunni and the speaker of Parliament a Shiite. Before long, however, Muslims outnumbered Christians, with higher birthrates and a huge influx of Muslim Palestinian refugees. The governing formu-

The Drug Users, Too

The attitudes of the U.S. government toward drug users are swinging. Through most of this decade, federal policy has been to cut off the drug trade without leaving deep bruises on certain customers — people who are citizens and voters or the children of voters. The chief effort until now has been to go after South American peasants, Colombian distributors and bad guys out of town with big cars and machine guns. It hasn't worked. In American neighborhoods, from one street corner to the next, things have been getting worse.

The new direction is apparent in the many public statements by Bill Bennett, the director of the president's new Drug Control Policy Office, and in the widely leaked draft of Mr. Bennett's strategic plan. He would greatly expand the government's present efforts, but his central innovation is a decision to go after the users as well as the growers and dealers. It is fine to try to persuade Peruvian Indians not to raise coca, and certainly efforts must be maintained and strengthened to get at the obscenely huge money flow as well as at its despicable beneficiaries. But these efforts cannot themselves be successfully achieved without diminishing demand for illegal drugs. So most of this struggle is going to have to be waged at home, from block to block.

Mr. Bennett's basic principle is that no one convicted of any drug offense, including possession, is to get off without punishment. He would have the states revoke the driver's licenses of users, and would make federal aid to colleges contingent on much more serious anti-drug programs there. He would pour much more money into police enforcement at every level, and nearly double the capacity of the federal prison system.

Mr. Bennett declines to join the ideological debate about police enforcement versus education and treatment, which is in effect the right versus the left. Both are required in greater strength, he believes. But the left needs to admit that the results of education and treatment so far have left much to be desired. And the right needs to concede that tighter enforcement will greatly increase the urgency of finding sounder methods of treatment and making them available.

The Bennett prescription will be expensive and, like its author, abrasive. But it is also more promising than trying to throw a cord around borders that are crossed every year by 355 million people, 635,000 air flights and eight million containers of freight.

At many points the Bennett strategy goes right up to and, we think, beyond, the limits established by every citizen's civil rights. This draft requires some redefining. His ideas about drug testing need refinement. There is a lot to be said for the Anne Arundel County practice, which he strongly endorses, of summarily expelling all students who distribute drugs — but these are juveniles, and it is necessary to ask what happens to them next. Similarly, most people will want to hear a lot more about his demands on the colleges before they pledge their support.

But America has arrived at a condition in which many of its people have good reason to fear stepping outside their own doors, and better reason to fear for their children. The murder rate keeps rising, and law-abiding people are shot dead in their own kitchens and on their own porches by stray bullets from the warfare in the streets. Small children have seen their parents disintegrate in the epidemic of addiction. The number of carcasses and families already destroyed by cocaine is beyond reckoning. Mr. Bennett's plans are going to cost a lot of money, but the plague of drugs is costing far more.

—THE WASHINGTON POST.

New Leader in Pretoria

P. W. Botha's resignation as president of South Africa merely advanced by a few weeks a transition ordained six months ago. The important question now is whether F. W. de Klerk, sworn in on Tuesday as acting president, will advance South Africa's transition from apartheid to democracy with protected minority rights. There is reason to answer with a cautious yes.

Since taking over as leader of the National Party in February, Mr. de Klerk has tried to project an image as an advocate of change in South Africa's rigid system of racial separation and white minority rule. On Tuesday he declared South Africa to be "on the threshold of a new era." But what sort of change is not clear. He speaks of ending domination by the 4.5 million whites while allowing the 23 million blacks to dominate, a formulation that falls well short of a fair and stable political solution.

Mr. de Klerk will likely discover, as Mr. Botha did, that it is impossible to make noise about progress without arousing expectations. Indeed, he risked dashing some expectations on Tuesday when he suggested that a planned Aug. 28 meeting with President Kenneth Kaunda of Zambia, leader of the so-called front-line states, may not come off. It was the scheduling of that meeting that precipitated Mr. Botha's early resignation.

South Africa is politically isolated and economically squeezed. The sanctions imposed by Western governments have been effective. That explains, in large part, Mr. de Klerk's eagerness to project a fresh, moderate image. The Kaunda meeting might be one way in to do so. Another could be a meeting with President George Bush. Mr. de Klerk recently canceled a trip to Washington rather than risk a presidential snub.

That gives Mr. Bush a carrot to dangle in front of the new man in Pretoria. The American leader could ask for concrete steps, like releasing Nelson Mandela and other political prisoners, lifting the oppressive state of emergency, starting power-sharing talks with the African National Congress and other black groups. Some of these might be preconditions, others on the agenda of the meeting itself.

Mr. de Klerk does offer hope for substantial change. But it will likely take continued pressure from the outside world to turn that hope into reality.

—THE NEW YORK TIMES.

Other Comment

Waving a 'Do-Nothing Stick'

Between issuing veiled threats of military action if "one more" American hostage is murdered in Lebanon by the Hezbollah crazies and appealing in Iran and Syria for help, the White House is giving the impression that, unlike the Israelis, who deal realistically with the terrorist problem, President Bush really does not understand the enemy. The Iran in which he appeals is responsible for

introducing Hezbollah into Lebanon in the first place. It did so for the stated purpose of "exportation of the Islamic Revolution." The American people are unimpressed by supplications to Iran and Syria and, weary of the White House policy of talking tough while carrying a do-nothing stick, regard the "one more time" threat as lacking in real substance and underserving of belief.

—Union Leader
(Manchester, New Hampshire).

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OPINION

What Still Might Be Done for Lebanon

By William Pfaff

PARIS — A Lebanon crisis added to a hostage crisis is the last thing George Bush needs. Unless, of course, the crisis can be mastered. Mr. Bush has dealt with the hostage crisis by demonstrating that — for the first time since 1979 — the United States is not being manipulated by exploitation of the hostages. An American policy based on ransom, rescue or revenge for hostages strengthens the extremists and validates the hostage tactic. Mr. Bush, unlike his two predecessors, has thus far avoided this.

Poor battered Lebanon is the eye of the hurricane — the place where the hostages are seized, where they probably are held, where the forces of Iranian fundamentalism and political militancy find blind commitment. Now Lebanon is submitted to the cold expansionism of Syria. President Hafez Assad is determined to annex Lebanon in fact if not in name. This is something the United States can do something about.

Events in Lebanon since March provide the latest step in a Lebanese internal struggle made into an international affair by the intentions of Iran, Israel and Syria. The origins of the crisis lie in Lebanon's history. There was a Christian Lebanon before there was a Muslim Syria. Christianity in Lebanon dates from the 7th century. Lebanese Christians collaborated with the Crusaders. Later they were loosely ruled by the Mamelukes, Muslim predecessors of the Ottoman Turks, and then obtained a more or less autonomous status in the Ottoman Empire.

The modern Lebanese state originated in a French intervention in 1860 to protect the Christians from attack by the Druze, an Islamic sect which settled in southern Lebanon and in Syria in the 11th century. The crucial — fateful — event in modern Lebanon's history was France's creation of "Greater Lebanon" as a League of Nations mandated territory after World War I, incorporating a major Muslim population not previously part of Lebanon.

This Muslim population lived restlessly under Christian domination until the 1960s, but the triple blows of PLO implantation in Lebanon, Israel's disastrous invasion in 1982 and the explosion of Islamic radicalism in Lebanon's impoverished Shiite community after the Iranian revolution, together destroyed the Lebanon that was.

Syrian troops entered Lebanon as peacekeepers but remain as occupiers. There are now 35,000 of them. The current crisis was touched off in March by General Michel Aoun's "war of liberation." He is a Christian whose followers include part of the Muslim population. His purpose — and sole hope of success — is to provoke France, traditional protector of the Lebanese Christians, and the United States to intervene.

The world as seen from Beirut and Damascus is not the world as seen from Washington. There is in the Middle East virtually unshakable belief in the power — evil or benevolent, it makes little

difference — of the United States. There is belief in an overarching American scheme. Israel is considered nothing but an American puppet.

Thus it is "only logical" for General Aoun to believe that the United States will decide what happens to Lebanon, and for the Syrians to believe the same thing. A pro-Syrian official in Lebanon said a few days ago that Syria's new offensive against General Aoun, launched last week, was "meant to change the balance of forces on the ground so as to speed negotiations between Syria and the United States to decide the future of Lebanon and the role Syria will play in a new Lebanon."

The assault's whole purpose is to impress the United States. That is the way the Syrian leadership thinks. It is the way General Aoun thinks. The only player in this affair who does not think that way is the United States government. Washington has no plan for Lebanon. Washington knows all too well that Israel will not do what it is told. Washington knows that every American intervention in Lebanon since the 1950s has failed, usually resulting in American casualties, plus grief or humiliation for the United States.

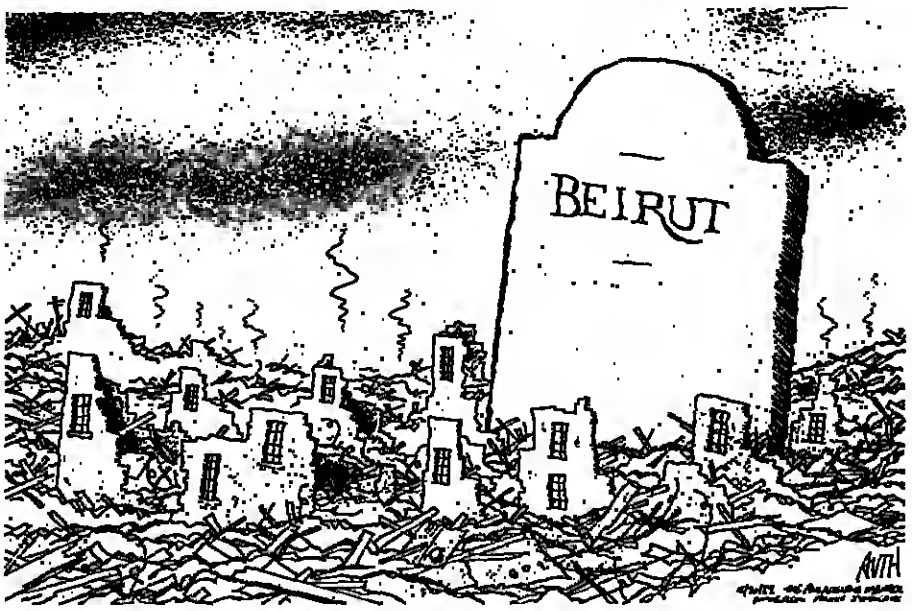
There nonetheless may be an opportunity here. The fact that Beirut and Damascus — and Tehran as well, obsessed as it is with the "Great Satan" — believe in the power of the United States gives the United States a form of influence that it has not in the past tried seriously to

exploit: the power of its myth. Under the Reagan administration all was bluster, accompanied by sporadic military operations accomplishing nothing. This merely produced confusion in the Middle East. What was the message? There was no coherent message; yet too one in the Middle East could bring himself to believe that this was because no message existed. What did the United States want? Contained in the question was the assumption that if the United States wanted it, it would get it.

What does Washington want? For example: an independent, democratic Lebanon based on the Christian community, incorporating only that part of the Muslim population which wishes to be included; Israeli as well as Syrian withdrawals from Lebanese territory; new forms of security guarantees for both global settlement of the hostages/prisoners issue (as some pro-Iranian sources already have suggested).

The United States can put on the negotiating table U.S. recognition of a new Syrian role in that part of present-day Lebanon which wants the link with Syria — the Druze community, clearly, and part of the Muslim population. It can offer restored relations with Iran once hostages are released and a Lebanese settlement is guaranteed, plus settlement of Iran's claims on Iranian funds frozen in the United States. The elements exist for negotiations which might, for the hostages, as for the Lebanese themselves, produce some light in what otherwise seems blackness itself.

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Czechoslovakia: A Day for Looking Beyond Anger

By Robert K. McCabe

PARIS — Twenty-one years ago this morning, the rebellion we remember as the Prague Spring was crushed by the tanks of a Soviet Union fearful that another city's blossoming liberalization might contaminate Moscow.

It is no little irony that the tide of liberalization now rolls the other way — toward hard-line Prague from the Soviet capital. And this time it is the arch-conservative Czechoslovak rulers rather than the born-again Soviets who fumble for the right response to a drive for liberalization.

Almost daily, the official press warns of Western plots to destabilize the country any day. There is particular anxiety now that there may be a coup d'état during August's haunted third weekend. Czechs are conscientious about anniversaries.

Disidents themselves are deeply worried about the possibility of trouble. Vaclav Havel, the playwright and a leading disident, this week called on Czechoslovaks not to resort to street protests, saying that "authorities are waiting eagerly for this type of action in order to be able to strike hard to paralyze people's democraticization for a long time to come." Similar pleas came earlier from representatives of Charter 77, the civil rights movement. "Let us keep Venceslas Square empty, so that police forces there confront themselves and prove to each other how unnecessary they are," the signers urged.

If demonstrations do occur, Prague may not be alone on stage. There are whispers about demonstrations in other major cities in Bohemia and

Moravia. Some Czechs say the growing governmental nervousness explains recent random arrests of disidents; security authorities in Ostrava, Pilsen and Brno, as well as in Prague, have interrogated suspects, trying to learn what might be up.

But the instinct to protest, whatever actually happens, is only the fin of the

In the absence of a freely elected parliament, petitions vent anger and frustration, as national pressure valves.

shark. No Europeans can forget the bloody history of this central European nation, from the burning of Christian martyrs such as Jan Hus for heresy in 1415 to the traditional defenestrations, as in 1618 when two governors, losers in a religious dispute, were hurled from the windows of Hradcany Castle. That action ignited a rebellion which led in 1621 to the executions of 27 of Bohemia's heroes.

More recently came the mysterious death of Foreign Minister Jan Masaryk, one of the country's last great democrats, found dead below a window of his ministry apartments after the Communists took power in 1948.

Then came the grim years of Communist repression, the brief flowering of 1968 and the bloody crackdown by

the "fraternal" Communist armies, followed in January 1969 by the self-immolation of Jan Palach against that cruel Soviet bloc.

All these tragedies scar the memory. The potential for bloodshed is burned into the somber gray stones of the beautiful capital on the Vltava.

Just as important, in weighing the emotionally charged dynamics of the continuing confrontation, are the petitions circulating across the country. Czechoslovaks long have cherished a particular reverence for the written word. Today, in the absence of a freely elected parliament, petitions vent anger and frustration, as national pressure valves. The most recent current plea is called "A Few Sentences," calling for democratic reforms and a dialogue with the Communist leadership.

Mr. Havel asked protesters to sign it rather than take to the streets. Other petitions declare against arrests of disidents, for the restoration of the Catholic Church's presence across the country, for the return of human rights, for liberalization in general — and for calm on Monday.

The fact that such petitions are tolerated is a sign of a certain caution (looming on in Hradcany Castle, where the rulers roost. Even the hard-liners now clasp to power realize the need for at least a bit of Marxist leniency).

The accelerating pace of reform in Poland and Hungary is watched with fascination by liberal and conservative alike in Czechoslovakia, a country that once led central Europe in

liberality of thought and power of industrialization. In particular, Czechs say, Communist youth groups are shaken by the feeling they are being left far behind.

The Czechs and Slovaks are surrounded by change. East Germans, blocked from the West by the rising remains of an old-front Curtain, are crossing Czech lands into Hungary and from there flowing, in steadily increasing numbers, to Austria and the West. In Poland to the north and Hungary to the south, shibboleths are being discarded by the score.

The barbed wire is being rolled up along the Austria-Hungary border. George Bush, in Budapest on his history-making July swing through Eastern Europe, was given a mounted barbed-wire souvenir plaque of that once-homesteaded frontier. It was in Budapest, noting that "Hungary is at the threshold of a great and historic change," that he said his challenge was "to build a structure of political change and decentralized economic enterprise on the ruins of a failed Stalinist system."

In Prague, they were listening. And in Moscow, too. It is long past time, in fact, that Mr. Bush and Mikhail Gorbachev picked up their hotline phones to confer on the Czechoslovakian problem. A public statement of agreed policy could be valuable. It is in neither's interest that the smoldering anger erupt into bloodshed. Czechoslovakia could again be a powerful industrial dynamo capable of leading the necessary and inevitable reconstruction of Eastern Europe.

People know that their economic problems will not be quickly solved by political liberalization; the Polish and Hungarian experiences so far show that there is no super-abundant reconstruction. But, says a Czech, political change is a start.

The Czechs now know there is a price to be paid for liberty," he said. "They are willing to endure temporary misery for the greater goal at the end."

If it is true that 21 is the age of maturity, then a solemn coming of age is nearing in Czechoslovakia. It is 21 years since the Prague Spring died, and the rebellion that flickered so briefly, so briefly, ended. It is in the interests of all, East and West alike, that the Czech passion be guided away from destruction and toward rebirth. There is fire in the ashes.

International Herald Tribune.

100, 75 AND 50 YEARS AGO

1889: 'Grim Science'

PARIS — The *Herald* says in an editorial: "In a recent review given by the German Emperor to his Austrian brother, war techniques were enumerated: rapid firing, 'noiseless and smokeless' powder, whiffs of smoke that scarcely tinged the air, and the noise of exploding powder, so diminished that it could not be heard a few hundred yards away. It was said to have delighted the Imperial critics. This shows how rapidly the grim, terrible science of war advances."

1914: War Despatches

PARIS — Significant successes by the French troops, both on the left wing in Belgium and on the right wing in Alsace, are recorded in the latest official communiqué issued by the French Ministry of War. • Russia has almost completed her mobilization, and the march of the Cossacks into Germany and Austria has begun. • Japan has not officially de-

Car Sales: Watch Out For Japan

By Hobart Rowen

WASHINGTON — There is big news on the auto front, and not much of it bodes well for American companies. Despite five years of quota protection against the Japanese car invasion, Detroit is still playing catch-up with Japanese quality. American cars are better than ever, but, according to experts (and as is conceded privately in Detroit), they seem always to be one step behind Japanese technology and design.

The United Auto Workers union has been forced to accept significant reductions in union jobs at the old American plants, a process that has helped swell corporate profits. New Japanese plants have created additional jobs, but the UAW is being rejected. Recently, workers at a Nissan plant in Tennessee convincingly voted down the UAW's effort to organize them.

As surplus capacity to produce cars grows in America and Europe, the stranglehold that Detroit once had on its own market will be further eroded, while more expensive Japanese and European industries call the tune.

In a comprehensive analysis in *Financial World* magazine, Dan Corby quotes the observation of a British analyst: "The Americans only make cars for Americans, while the Japanese make cars for the world, and Europeans make volume cars for Europe and luxury cars for the world."

Any boost in American car exports seems destined to come in the next few years from Honda and Nissan plants in the United States.

But the interesting dynamic at the moment is that Japanese automakers are about to challenge Europe face to face on its own turf, the volume market there. And the Japanese are about to take on the Europeans — essentially, the Germans — in a race for the global luxury car market.

Considering the car as status symbol, it used to be that one could choose between German and American deluxe automobiles, and to a lesser extent a few British and Italian cars. The biggest sellers to corporate heads, yuppies and others who like to spend money have been the Mercedes, BMWs and Audis, and the Cadillacs and Lincolns.

Today it is getting to be a different story. The Japanese are in the act. For the past few years Honda (base price under \$30,000), which has successfully competed with its German and American rivals.

The newest Japanese entry is the Toyota Lexus, which, with the soon-to-be introduced Nissan Infiniti (both in excess of \$35,000), are looking for a share of the status-supply class market. One obstacle is that the Japanese cannot deliver the Mercedes and BMW nameplates. Tradition and snob appeal are important sales ingredients at these price levels.

The Japanese decision to go head-to-head with volume car producers in Europe for a bigger piece of that market, now highly protected, will be partly based on new Japanese investments. Honda has followed Nissan's and Toyota's lead in taking advantage of the welcome sign posted in Britain by Prime Minister Margaret Thatcher. Their investments in new plant facilities are transforming the domestic British auto industry, and probably preventing it from collapse.

The new Japanese-British accord on cars is another not so subtle reminder of vast changes in global economic relationships. There was a time, back in the post-World War II recovery years of the 1950 and 1960s, when the most popular small import car was British. The British had few rivals except for the then famous Volkswagen Beetle. Honda was still basically a motorcycle producer.

In less than 10 years, Toyota, Nissan and Honda are expected to produce more than 500,000 cars a year in Britain, or about a third of its total auto output. The British are following a time-proven formula: If you can't lick 'em, join 'em. By way of contrast, France, despite losing jobs and business to Japanese competition, is less anxious to let the Japanese camel get a nose under the tent.

Only time will tell whether Britain or France has made the wiser economic decision. If France, Italy and other European Community countries do not try to limit the sales of English-made Japanese cars, they would have done better to welcome Honda's, Nissan's and Toyota's investment money.

But if they try to impose import quotas on the British-Japanese hybrids, for example, to prevent Fiat's monopoly within Italy — it will make a joke of recent official assurances that "Europe 1992" is not the Fortress Europe that many fear.

The Washington Post.

clared war on Germany, but has sent in the Berlin government a note drawn up in terms of the irony of which cannot fail to be felt in the Prussian capital. Japan invites Germany to withdraw all her warships from Japanese and Chinese waters or to disarm them, and also to evacuate Kiao-Chow. Germany is given one more month in which to execute the order.

1939: Talks Rejected

BERLIN — Another door was closed today [Aug. 16] on the blind alley into which Europe is moving when Germany rejected — unofficially but violently — any suggestion of an international conference over Danzig. For Germans tonight, only the telephone lines remain open in this crisis, and the only hope of peace is the report that they are all busy. "The only conference we will go to will be the meeting which arranges the formal details of how Danzig is to be given to Germany," a Foreign Ministry spokesman said.

OPINION

An Old Text Can Be Read To Allow Guns for Us All

By William F. Buckley Jr.

NEW YORK — A garish Time magazine cover introduced the faces of most of the 464 people who died in a single week in America by gunshot wounds. The macabre story is pretty grim. Every two years, at the rate of the deaths in the first week in May, it comes to more Americans dead than have died of AIDS since its discovery. More dead in two years than during the entire Vietnam War.

Why so many deaths? The answer to that, beyond some obvious speculations, is that we do not know.

That is, why did the one-half of those deaths from suicide ... happen? What

... the right of the people to keep and bear arms shall not be infringed.

is it about American life that causes so many of us, young and old, to wish to commit suicide?

As it happens, Americans aren't the world champion in suicide rate, falling behind Hungary, Finland and Switzerland. Switzerland? It doesn't seem to go with cuckoo clocks, but then, Switzerland defies all the rules: It has the highest drug consumption rate in Europe and the highest rate of AIDS per capita.

So what about the gun problem?

The attempt to limit suicides by limiting Americans' access to guns would seem to be a pretty nearly impossible task given the wide availability of guns (there are more than 50 million handguns lying around) and all the available options. Not even Americans for Democratic Action can repeal the law of gravity, which permits people to jump out of windows. Why is it that four times as many people in America, per capita, kill themselves as in Greece? Any answer to that question is unlikely to rest on the availability of guns.

Beyond lamenting the ease with which one can acquire weapons in America, editors seem to have no conclusion to press. They argue against selling a gun to anyone who wants one without a holding period of a few days, and only fanatics in the National Rifle Association would object to that. Presumably the gun seller would be willing to take risk of waiting the holding period if the buyer was being chased by King Kong.

Inevitably, one runs into the old argument, ceaselessly piled, about the meaning of the Second Amendment. That amendment has two clauses.

The first states: "A well-regulated militia being necessary to the security of a free state ..."

And the second clause: "the right of the people to keep and bear arms shall not be infringed."

If the right of all Americans to buy weapons of any kind were absolute, why clause No. 1?

When the anti-Federalists mobilized during the days when the Constitution was being discussed, they enunciated what was to become the Bill of Rights. This list of rights included Provision No. 7, which read: "that the people have a right to bear arms for the defense of themselves and their own state or the United States, or for the purpose of killing game; and no law shall be passed for disarming the people or any of them unless for crimes committed, or real danger of public injury from individuals."

That was both more wordy and more absolute than what winnowed down into the Second Amendment. But just why clause No. 1 crept in, we do not know, there being no minutes to the debate that preceded the amendment's passage.

But then even if clause No. 1 had not been written, how do you define "arms"? Are we being told — under the absolutist reading — that the state does not have the authority to forbid Johnny from building himself a little nuclear reactor in the basement, designed to pop out a little atomic bomb? You laugh, but it was that kind of a distinction that the Supreme Court made in one of the two most quoted decisions, understood by the legal community as authorizing the states to limit the right of the citizen to bear arms.

In the United States v. Miller (1939), the court sustained the National Firearms Act of 1934, which required the registration of sawed-off shotguns. "In the absence of any evidence tending to show that possession or use of a shotgun having

W.F.B. Buckley Jr.



a barrel of less than 18 inches in length at this time has some reasonable relationship to the reservation or efficiency of a well-regulated militia, we cannot say that the Second Amendment guarantees the right to keep and bear such an instrument." Over and over?

Well, no, because although the epochal decision did go on to authorize states to turn to make their own rules about what constituted constitutionally protected arms, there are serious objections to Miller being used as a constitutional franchise to undermine the strict reading of the Second Amendment. The lawyer who argued for the defense was incompetent.

Thirty thousand short-barreled shotguns had been purchased by the U.S. government in World War I as "trench guns."

The argument goes on, and the more we read, the less decisively we speak. We are reduced to saying that guns can have lethal consequences.

Universal Press Syndicate.

Guns in the Soviet Union

SOVIET citizens by the millions own guns, legally and illegally. Russia was for centuries a society of hunters, and hunting remains popular. An estimated 3 to 5 million people participate; big fac-

tories in Izhevsk and Tula turn out thousands of hunting rifles every year. In some parts of the country, possession of firearms is also a matter of ethnic pride. In Georgia, the right to bear arms is protected by the republic's constitution.

Cumbersome registration procedures for buying and keeping a gun do not appear to have much effect; nor does the five-year prison term for illegal possession. Last year, Radio Liberty reported a Soviet estimate of 15 to 17 million unregistered guns in the country — two to three times the number registered.

— Stephen Sestanovich, writing in the Washington Post.

Blowing Whistles Doesn't Make You an Ex-Patriot

By Mort Rosenblum

PARIS — Stanley Meisler, a gentle correspondent not given to stirring up the animals, has done it this time. He went home, looked around, wrote what he saw, and the bounds are still howling. He provoked wounded retort in California, and rattled a fresh set of cages when the piece appeared in the International Herald Tribune. ("Home to n Smug, Scared America," *Meanwhile*, June 6.)

A lot of Americans, it appears, don't see the difference between expatriate and ex-patriot, that you can love it and leave it all at once.

By coincidence, Stanley Meisler and I first went abroad in the mid-1960s to

MEANWHILE

cover Africa. He was the Los Angeles Times's man; I worked for The Associated Press. Eventually we ended up together in Paris.

We saw each other in assorted remote places in between, each of us clinging tightly to our blue passports, our short lists of past and future back home and our pride in what we represented.

We saw Americans of every sort, quiet and ugly. Some risked their livers to help others. Others swaggered around the world as if it was a vast theme park for their private amusement.

Mainly, we saw the American ideal. Ours was the place with the big-hearted torch lady, the law-abiding, generous land to balance all the corruption, selfishness and chaos we saw so often.

When Stanley transferred to Washington, he examined the "back home" he had seen from abroad. He pro-

nounced Americans ignorant about the world and too smug to learn how others did some things better. Letters to the editor began pouring in.

One man wrote, "Stanley Meisler is a caricature of the self-hating American abroad, an intellectually arrogant elite caught in a time warp of the '60s."

Stanley, who is as far from that depiction as a diamond from dog droppings, probably laughed and recalled the reply he was always too polite to send: "Dear Sir, Thank you for your crank letter."

But I had just traveled around America finishing a book called "Back Home," a Meisler's-eye view of things. If he wasn't troubled by such fresh evidence of the smugness we both found, I was.

The man scolded. "Take a moment from your crosshairs and political dialogue to consider the wonders of your own country."

He was hardly alone. Letters flew thickly after Stanley's piece. One reviewer of my own book wondered why I bothered to come back to America, since I obviously hated it so much.

Even someone who did hate the United States — a category to which neither Stanley nor I belonged — could fill a Sunday edition rhapsodizing about its glories. But that's not the point.

Intellectually arrogant elitist back to Ben Franklin know the French phrase, *Qui aime bien chaine bien*. He who loves well punishes hard.

It matters little whether a Big Mac outweighs a croissant; you can get either almost anywhere. The measure is a society's ability to take care of itself.

And by this measure, the verdict is nearly unanimous among those who professionally watch America from the outside. We won't solve our problems — twisted kids, desperate parents, dangerous dirty streets, trade imbalances, debt and deficit and all the rest — by focusing on our wonders.

I keep thinking about a history professor I met in Kansas City, someone who loves her country and has yet to leave it. She was deeply concerned, and I explained why.

"It is our arrogance and nationalism," she said. "Things are going to get worse before it gets better. We don't learn from anybody. What kills me are the blunders. There are such obvious examples of injustice that people close their eyes to. We have such faith in progress, and we learn nothing. Americans have lost their souls." Maybe not. But she was speaking like a patriot. In the end, we honor our country out by waving flame-proof flags but by seeing it honestly.

The writer, Associated Press special correspondent, is author of "Back Home: A Foreign Correspondent Rediscovers America." He contributed this comment to the International Herald Tribune.

LETTERS TO THE EDITOR

UNESCO: Mayor Sees Remedies, but Is the Case Curable?

The article about UNESCO in your issue of Aug. 8 ("Adrift Amid Good Intentions") has distressed many who are working to improve international cooperation. There is much more to the story of the recovery of an organization that suffered much in the years before the election of Federico Mayor Zaragoza as director-general.

I am one of the consultants to UNESCO whose use is criticized by some Secretariat members. I speak about the United Nations and UNESCO from 45 years of experience inside and outside those international bodies — outside, as a U.S. diplomat who often criticized their operations; inside, as an international civil servant (for example in UNESCO as assistant director-general for administration from 1964 to 1970, and as deputy director-general from 1971 to 1977). I have had personal experience with past situations

as stressful as that of UNESCO today.

Fortunately, many are working to help restore multilateral cooperation at a time when all agencies of the UN system are under great pressures to adapt to environmental, social and technological changes. The constructive efforts should receive attention.

Federico Mayor recognizes the problems of his organization, the full range of difficulties he personally faces; and he is aware of the criticisms of his management. He is bringing to a daunting task great energy, an openness, honesty and vision that are desperately needed as a basis for international cooperation in the future. UNESCO is fortunate to have him as director-general. It is simply not true to say that "the virtually ignores the staff" or that "this management is catastrophic." Nor can the view of one diplomat, that UNESCO's record is "simply appalling," be accepted. Weak-

nesses there are, and they are to be expected in an organization that has been through severe shocks.

I expect that the impact of constructive and hopeful developments in and around UNESCO — a fresh, more concentrated six-year plan; specific achievements in respect of environment, literacy, cultural preservation and development; gradual strengthening of staff, both senior and junior; changes introduced as a result of the work of an international commission on management headed by Knut Hammarskjöld — will lead to positive news reports.

The world needs to rebuild its institutions and its confidence in them. Mr. Mayor is working for that purpose.

JOHN E. FOMES, ASHEVILLE, North Carolina.

Admittedly, UNESCO is the most ill of all the UN family members, but the illness is the creeping mediocrity of the UN concept. What was once an ideal is

now a dumping ground for unwanted government officials. Why should Mr. Mayor, a short-term minister of education, succeeding a man who was a disaster in the same role in another country, be expected to produce a miracle cure?

Should out an intergovernmental organization be judged by the actions of its member governments? For all its pontification on the freedom of the press and efficient management, has the United States really been interested in UNESCO during the past several decades? The dubious qualifications of the ambassadors it has sent to the organization indicate that it has not.

Is it not time that UNESCO be closed, and not allowed to die on the vine as it is now doing? Let its remaining assets be used to provide severance pay to the frustrated long-term staff, and then if there is real governmental interest, let a commission — acting constructively and with the common good rather than national interests in

mind — consider whether there is a role in the international community for a logical and pragmatic association of governments to deal with specific problems of education, science and culture.

GERTRUDE MCKITTERICK, Le Neubourg, France.

All the Same, Good Night

One learns that it does not pay to sleep. ("Go to Sleep? Why? There Isn't Much Money in It," Aug. 3) Those who earn more, sleep less. Perhaps insomnias are on the road to riches? Meanwhile, my daily routine commences at 6 A.M., when I prepare bread and butter for my 82-year-old husband. My day is pretty full, ministering to his needs and those of a small Yorkie. At 10 P.M., profitably or not, I am delighted to lay my head on a soft pillow and ...

EILEEN SCHLESINGER, Zurich.

GENERAL NEWS

Algae Chemicals 'Active' Against AIDS

By Lawrence K. Altman

New York Times Service

NEW YORK — Several chemicals derived from blue-green algae have been found to be "remarkably active" against the AIDS virus in test-tube experiments, federal scientists are reporting Wednesday.

Although the chemicals are far from being tested in humans, the discovery is important because it identifies an entirely new class of chemicals that can be studied for effectiveness against AIDS, said the scientists at the National Cancer Institute.

Dr. Michael R. Boyd, who headed the team, emphasized that tests of the chemicals in humans cannot begin until scientists produce them in much larger amounts and determine their safety.

But the scientists said that because of the urgency of the AIDS epidemic and the need to identify potential new drugs for the fatal disease, the institute has placed high priority on further tests.

The active chemicals are combinations of sugars and fatty acids called glycolipids. The glycolipids were previously known, but their

action against the AIDS virus was not. Dr. Boyd said the chemicals stop the growth of the virus, although he said his team has yet to learn how the glycolipids do this.

The algae from which the chemicals were derived were collected in Hawaii and the Palau Islands in the South Pacific.

Scientists have tried for a year without success to synthesize the active chemicals, Dr. Boyd said. "That is our biggest obstacle," he added. "We're still a long way from a drug candidate."

The report was published Wednesday in the Journal of the National Cancer Institute.

The only drug licensed by the federal government against AIDS is azidothymidine, or AZT. Laboratory tests suggest that members of other chemical classes, like alpha interferon or compound Q — a drug derived from a Chinese cucumber — might also be effective.

The anti-viral activity of the chemicals from the algae was discovered in organized trial-and-error testing, a classic technique that has paid huge dividends throughout medical history.

The National Institutes of

Health and the National Cancer Institute have a large program to identify known or new substances for previously unknown effects against cancer, AIDS and other diseases.

Voluntary Tests Backed
Bruce Lambert of The New York Times reported:

The Gay Men's Health Crisis, New York City's largest private organization providing AIDS services, has reversed a long-held position and endorsed widespread voluntary testing for the virus that causes AIDS.

The group joined a growing nationwide shift among former opponents of testing who agree that new drugs that fight AIDS can prolong life, particularly if the virus is detected early.

"There are compelling reasons to get tested," said Richard Dunne, executive director of the Gay Men's Health Crisis.

In addition to the new drugs, Mr. Dunne cited the growing protection of AIDS confidentiality and anti-discrimination laws.

Most of the people estimated to be infected with the AIDS virus

have never been tested, health experts say.

Gay Men's Health Crisis, along with other male homosexual organizations, led the resistance to the test when it was devised five years ago as an indication of infection.

At the time, skeptics questioned the test's accuracy and its ability to predict the development of AIDS. They also warned of potential harm and abuses, including discrimination against those who took the test and emotional trauma suffered by those who tested positive.

Ultimately, they argued, there was little that medical science could do for someone who tested positive.

Gradually, as these factors changed, opposition to testing has receded. The San Francisco AIDS Foundation, the largest private AIDS agency there, in April encouraged people to consider being tested. Project Inform, a San Francisco group focusing on experimental drugs, also urged testing.

The announcement by the Gay Men's Health Crisis is the first major shift among AIDS organizations in New York.

EUROPEAN TOPICS

France's Gendarmes Are in Writing Mood

French newspapers are being inundated with anonymous letters from disgruntled gendarmes, who complain about poor pay, long working hours and bad housing conditions in barracks.

Since early this month, national and regional newspapers have received dozens of letters, each purporting to speak for a large number of the country's 90,000 gendarmes, the paramilitary corps responsible for police duties on French highways and in rural areas. An anonymous letter published in the regional daily newspaper Ouest-France complained about "the 120 hours on-call each week, including 60 to 80 hours working, no overtime pay or compensatory time off and no compensation for working weekends and holidays."

The gendarmes, who answer to the Defense Ministry, are trained, paid and expected to work and live like soldiers, while performing the same tasks as police. Un-

like police, they cannot form unions, and are not paid for overtime. Starting pay is 7,000 francs (\$1,097) monthly for the unmarried, with increases for those with families. Several letters said that, once unpaid overtime is taken into account, gendarmes barely get the minimum wage.

Régis Moutier, director-general of the gendarmerie, issued a statement saying he was trying to alleviate the problems. Meanwhile, he said, the gendarmes should keep quiet. But his call to silence just unleashed more letters.

In West Germany, Grays After Greens

Following in the footsteps of the Greens, the Grays are preparing to enter West Germany's political scene. The Grays party, founded last month, aims to represent the country's 14 million senior citizens.

The Grays' chairman is Trude Umrath, 64, a member of the Bundestag since 1987 when she was elected on the ticket of the Greens Party. She is also chairman of the Gray Panthers, a 30,000-member association of senior citizens. One in five West Germans is over 60, and the num-

ber of elderly is increasing because of the country's low birth rate.

The Gray Panthers broke away from the Greens last month after losing a 10-month battle for a fixed share of the Green's parliamentary seats. The Grays plan to run candidates in national elections scheduled for December 1990. A recent poll by Stern magazine showed they would win 6.5 percent of the vote. A minimum 5 percent is needed to gain seats in parliament.

Both the conservative Christian Democrats of Chancellor Helmut Kohl and the Social Democrats, the main opposition party, have been losing voters to smaller parties such as the leftist Greens and the ultrarightist Republicans. The two parties would have to form alignments with small parties to win at least 50 percent of the vote next year.

Around Europe

A once harmless algae turned toxic by acid rain has wiped out a dozen salmon farms in western Norway, forcing other farmers to either flee or fight it. Experts have advised 16 fish farmers to tow their 200- to 300-ton pens away from the deadly algae's spread

southward from two fjords. The prymnesium parvum algae has killed salmon worth at least 25 million kroner (\$3.5 million) at 12 farms in the past 10 days, according to the state Fisheries Directorate in Oslo. Harmless to people, the algae is up to 400 times more toxic to salmon than chrysomulina polyteps, the algae that wiped out all marine life in some coastal areas last autumn, officials said. That invasion killed about 10 million kroner worth of fish, they said.

Women will make up more than half of Britain's work force by the turn of the century, according to a study by the Henley Management Center for Forecasting. Fiona Stewart, editor of the survey, said increasing numbers of women were delaying having children until they were older and were returning to work before children reached school age. The British government, on the other hand, has forecast that women will stay well below 50 percent of the work force by the year 2000. At present, women account for one in three jobs. The center said companies will have to provide more child-care facilities to attract female employees.

Sytske Looijen

Rothmans
KING SIZE

ROTHMANS KING SIZE REALLY SATISFIES

THE BEST TOBACCO MONEY CAN BUY

Havel Voices Fears Of Deaths If Czechs Mark Anniversary

VIENNA — The dissident playwright Vaclav Havel has warned Czechoslovakians not to take part in street marches on the 21st anniversary of the Soviet-led invasion of their country for fear of violent confrontations with authorities.

Mr. Havel, in a statement broadcast to Czechoslovakia by the U.S.-funded Voice of America radio network Tuesday night, said he was concerned "for human lives and health and for the consequences of a confrontation staged by the authorities."

Czechoslovakia's hard-line leadership, put into power after the 1968 invasion crushed the "Prague Spring" movement for liberalization, has accused independent political groups of fomenting unrest by planning demonstrations on the Aug. 21 anniversary.

Some members of the Charter 77 human rights movement and seven other groups are urging peaceful marches to mark the day. Slovak dissidents have called for flowers to be laid in Kosice and Bratislava,

where people were killed during the Warsaw Pact invasion.

But Mr. Havel, a Charter co-founder, said: "If some elements of the power structure are determined to seek confrontation at any price they will do so, even if they have to attack peaceful pedestrians."

Police with batons, dogs and tear gas beat back 10,000 people who marched through Prague on the 20th anniversary, and security forces attacked a series of peaceful demonstrations that followed over the next five months.

Czechoslovak Communist leaders, who formally condoned Beijing's crackdown on student demonstrators in June that left hundreds dead, have warned that they are prepared to use force again to thwart the demonstrators.

The Prague Communist Party leader, Miroslav Stepan, told security forces this month that any demonstrations would be dealt with firmly, while the Czechoslovak Embassy in Vienna said Monday that attempts at "destabilization" would receive "the response of force."

Mr. Havel, Czechoslovakia's most prominent dissident, said: "I have even heard the terrible rumor that they are even ready to shoot at their own people."

He suggested that instead of marching, citizens should sign a petition, already in circulation, that urges political liberalization. Denounced by Czechoslovak leaders as counterrevolutionary, it has gathered 15,000 signatures.

The Czechoslovak leader, Milos Jakes, rules out liberalization and has accused independent groups of seeking to destabilize the state.

Now Glasnost Enters Moscow Phone Books

The Associated Press

MOSCOW — Muscovites who now have to rely on word of mouth for the telephone numbers of foreign embassies will soon be able to let their fingers do the walking. Tass reported Wednesday.

The limited telephone books available in Moscow are being expanded by 20,000 entries and will now include embassy numbers, the official news agency said.

Currently, with their numbers unlisted and their entrances closely guarded by Soviet policemen, Moscow's embassies are nearly inaccessible to Soviets.

Telephone books, in short supply in Moscow, list various establishments but do not include the home numbers of individuals. The books will apparently still not include personal numbers for Moscow's estimated 9 million residents.



WHEN IS A DOOR NOT A DOOR? — At the Berlin Wall on Wednesday, a young woman examining a fresh addition to the decor, a painting of a door bearing the sign "Emergency Exit."

East Germany Warns Bonn Over Refugee Crisis

Reuters

BERLIN — East Germany warned Bonn on Wednesday that bilateral relations would suffer if West Germany did not stop sheltering East Germans in its diplomatic missions.

It was East Germany's strongest protest yet to Bonn over the refugee crisis.

There are more than 150 East Germans in West Germany's embassy in Budapest and 116 in its mission in East Berlin. Others are holed up in Prague, Belgrade and Warsaw — all seeking exit visas to the West.

The news agency ADN said the East German Foreign Ministry called in Bonn's permanent representative in East Berlin, Franz Bertele, to protest against West Germany's attempt to help East Germans wanting to leave.

A senior East German diplomat, Hans Schindler, met Mr. Bertele. "In the interests of developing normal good neighborly relations on the basis of equal rights," Schindler pointed out it was necessary for West Germany to stop such practices immediately," the agency said.

Despite the sharp formal protest, the East German leadership has signaled readiness to start diplomatic negotiations with Bonn over resolving the refugee crisis, West German sources said.

Many of the East Germans camped out in Bonn's embassy in Budapest, left the building and returned to East Germany after being assured their emigration applications would be seriously treated back home, a Bonn spokesman said.

Earlier, a West German Foreign Ministry spokesman said the number of East Germans besieging Bonn's embassy in Hungary had

grown to about 300 with no immediate sign they would be allowed to leave for the West.

The embassy was shut Monday after it was swamped by would-be emigrants who refused to leave without guarantees that they would be allowed to move to the West.

A Foreign Ministry spokesman said on the radio that the East German leader, Erich Honecker, alone held the key to their problem.

"The key for a solution lies there, a solution that we cannot pull out of a hat overnight," he said.

Although East German citizens have an automatic right to West German passports, they cannot leave Hungary without an exit visa from the Hungarian authorities.

China Can Survive Sanctions And Continue Change, Li Says

Reuters

BEIJING — The hard-line Chinese prime minister, Li Peng, making his first economic policy speech since the army crushed the pro-democracy campaign in June, said the nation could ride out a tide of Western sanctions.

The official People's Daily also quoted Mr. Li on Wednesday as telling the State Council, China's governing body, that a program of economic change would have to be extended.

"We have made a proper analysis of the anti-China tide and will withstand the pressure," he said. "So long as we persist in an independent policy of peace and the reform, and open policies, we will certainly ride over temporary difficulties."

Western industrialized countries have halted military sales to China and clamped down on government lending in response to the military crackdown in Tiananmen Square.

Foreign commercial banks have followed this lead, delaying new loans. Many foreign firms have said they are postponing decisions on investment.

Mr. Li, whose faction won a power struggle with advocates of change led by the deposed party chief, Zhao Ziyang, said "economic rectification" would require two more years.

The program, aimed at eliminating corruption and waste, is part of an economic rectification package that was to have been completed late next year.

Announced in September 1988, it was intended to halt a round of bank runs and panic buying and to check mounting inflation, which reached 25.5 percent in the first half of this year.

Mr. Li said changes that had been adopted into law would be maintained.

The speech made no mention of changes, supporting a widely held view that the government will not take new economic initiatives.

State Firms Fined Millions

Beijing has ordered five state companies, including one linked to the son of China's senior leader, Deng Xiaoping, to pay millions of dollars in fines for illegal activities, The Associated Press and Reuters reported Wednesday.

Also on Wednesday, major newspapers urged state employees who engaged in embezzling, bribery and speculation to turn themselves in. Those who surrender before Oct. 31 will receive lighter sentences, according to an anti-corruption plan adopted by the Politburo.

The moves are the latest in a government anti-corruption campaign launched to counter charges of official corruption.

The state Auditing Administration, after a 10-month audit, ordered five companies to pay a total of \$13.8 million in back taxes, penalties and restitution of illegally earned profits, Auditor General Lu Peijian said in a report to the State Council.

The biggest fine, of \$5.2 million, was imposed on the Everbright Corp., a trading and investment company with extensive interests in Hong Kong.

CTIC, the China International Trust and Investment Corp., with operations ranging from trade and banking to weapons and satellites,

was hit with the second largest fine, totaling nearly \$5 million.

Kanghua, a firm once linked to the handicapped son of the senior leader, Deng Xiaoping, was fined \$3.2 million.

The smaller China Industry Commerce and Economy Development Corp. and China Rural Trust and Investment were given lesser penalties.

Mr. Lu said those responsible for the illegal activities will be punished, but the Xinhuas report did not name individuals.

CTIC has a reputation as an unusually efficient company, adopting modern management techniques in a country better known for its bureaucracy. It has played a leading role in investment both in China and abroad and owns 12.5 percent of Hong Kong's Cathay Pacific Airways.

CTIC Chairman Rong Yiren, a former capitalist who stayed in China after the Communists seized power in 1949, has not been criticized publicly so far. But an official newspaper said recently that CTIC had attempted to ship nickel overseas, in violation of export controls.

CTIC, Everbright and China Industry were all found guilty of illegal foreign currency dealing and tax evasion. CTIC has a banking subsidiary which has long dealt illegally in foreign exchange but its precise violation was unclear.

The government said that Rural Trust illegally used savings deposits of government and military units and improperly loaned money.

Injured Armenians Return From Israel

Earthquake Victims Got Health Care

By Joel Brinkley

New York Times Service

YEREVAN, U.S.S.R. — On their own if they were able, in pairs if they were not, 61 Armenians stepped off an El Al jetliner onto an Aeroflot stairway, smiling and waving at nearly 1,000 friends and family members who cheered and threw carnations from the terminal balcony a short distance away.

Almost all of them limped on newly fitted prosthetic legs or tugged at artificial arms while blushing or fighting back tears.

Their new limbs were fashioned and fitted during a seven-week stay in Israel, which has had no diplomatic relations with the Soviet Union since Moscow severed ties over the 1967 war.

All the Armenians had lost limbs or suffered crush injuries in the devastating earthquake that struck their republic in December, and as they returned home it was clear that their stay in Israel had made an impression on them that went beyond their medical care.

"When we see how warm the people are, that warmth makes us sure relations will be established soon," said Khaknash Izrailyan, a 49-year-old factory worker.

The Tass press agency reported the return Tuesday in a piece that quoted Soviet television as saying that the Armenians had "spent seven weeks in the best Israeli hospitals," where they underwent "very complicated operations" and "received prosthetic appliances produced according to the latest methods in medical science and engineering."

Few issues stir Israelis more than the desire to be recognized, by people and by nations, especially the country that is home to the world's third-largest Jewish population.

And as relations between Israel and the Soviet Union have gradually warmed in recent months, Israel has seized on almost every opportunity, including the Armenians, to advance the process.

One important reason is that the Soviet government has begun allowing Jews to emigrate in far greater numbers.

But as it turns out, most have chosen to move to the United States, not Israel. Israel maintains that if diplomatic relations were restored and Israelis could make more frequent contact with the Soviet people, more Soviet Jews would choose to live in Israel.

Moscow wants Israel to agree to an international peace conference on the Middle East before relations are restored.

As the Armenians arrived Tuesday in Yerevan, the Armenian capital, Soviet officials tried their best to make the patients and the Israelis welcome.

But the officials were not properly equipped. Each wore a lapel pin pairing Soviet and American flags since there were no Israel-Soviet friendship pins in stock.

That may have been just as well, since the entire venture was arranged and financed by the American Jewish Joint Distribution Committee, based in New York, with about \$400,000 raised mainly from private donors in the United States.

The committee hired the El Al charter and paid the patients' medical expenses in Tel Aviv and Haifa, where they were treated.

The Soviet Union has limited experience in offering rehabilitative services to trauma patients. Israel, on the other hand, has the solid boast that it is in the forefront of world treatment for amputees.

Aryeh Copperstock, director of overseas development programs for the Joint Distribution Committee, a relief and charity organization, said there were more than 10,000 amputees in Israel, victims of the nation's wars.

So, joining dozens of other organizations and governments that offered various kinds of help to the earthquake victims, the committee and Israel offered this aid.

Namibian Anti-Rebel Units to Be Moved

New York Times Service

WINDHOEK, Namibia — Moving to defuse a major issue of contention in Namibia's transition to independence, the territory's South African administrator has ordered 1,200 members of a counterinsurgency unit back to their bases in the northern part of the territory.

The announcement took some police officials by surprise, and government aides indicated that the order had come directly from Frederick W. de Klerk, who has been sworn in Tuesday as South Africa's acting president.

With the approach of elections in November under United Nations supervision as part of the transition to independence, the South-West Africa People's Organization has called for the discharge of all members of the police paramilitary unit,

known as Koevoet, to prevent intimidation.

The demand has been backed by the UN secretary-general, Javier Perez de Cuellar, and the U.S. government has also expressed its concern.

A rebel spokesman, Eddie Amukongo, said: "If it is true that finally Mr. Pietermar has acceded to the demand of the Namibian people and the international community, then SWAPO will welcome it."

But he criticized the proposed restraining of Koevoet members, saying their future should be decided by Namibians under an elected government.

During the war, several Koevoet members were imprisoned on charges including murder and torture. Koevoet was officially disbanded in October, and its members were in the process of being integrated into standard police units when the UN independence

plan for Namibia went into effect April 1.

On April 1, however, the guerrillas mounted a widespread armed infiltration of Namibia from Angola in an effort to establish permanent bases in the territory. This led to South African troops to halt the independence process and started the remobilization of army and police paramilitary units.

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plan for Namibia went into effect April 1.

During the war, several Koevoet members were imprisoned on charges including murder and torture. Koevoet was officially disbanded in October, and its members were in the process of being integrated into standard police units when the UN independence

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Full weekend sports results in Monday's IHT
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SCIENCE

Dinosaur Debate: Down to the Hammer in Italy

By Malcolm W. Browne
New York Times Service

SCIENTIFIC rivals in a bitter dispute over the extinction of the dinosaurs, have agreed to a hammer-wielding showdown in the mountains of central Italy next month.

Rock hammers in hand, and under the watchful eye of a neutral referee, rival teams of scientists from the University of California at Berkeley and Dartmouth College in Hanover, New Hampshire, will chop specimens from the face of a cliff near Gubbio in the Umbrian Apennines.

The object will be to gather evidence that both groups can accept regarding the question of why the dinosaurs died out. The two sides do not expect their joint expedition to resolve the issue, but they hope at least to reach agreement on some important factual evidence.

In particular, they will be seeking to determine the distribution of iridium in rock layers, an index of the time span during which a major geological upheaval may have occurred that some theorists believe killed off the dinosaurs. The distribution of iridium may hold clues as to the nature of that event, which is disputed by scientists.

On past expeditions by one side or the other, each gathered evidence that favored its own theory, and there was no agreement on even the most basic factual matter. If the joint expedition reaches such agreement, scientists hope, it would not only clarify the facts but might cool tempers that have often flared during the decade-long debate, which has involved hundreds of scientists in many countries.

The main point of contention is a theory that the dinosaurs and many other forms of life were killed off by the impact of a comet. Although this theory has been accepted by many geologists, other scientists, especially paleontologists, dispute it on the grounds that the fossil record indicates other causes.

The main alternative theory suggests that the mass extinction resulted from an extended series of volcanic eruptions in India, the largest outpouring of lava and vol-

canic gases in the past 200 million years.

At issue is the cause of the mass extinctions that occurred at the close of the Cretaceous epoch and the beginning of the Tertiary epoch, between 65 and 66 million years ago. Scientists refer to this as the "K/T boundary," referring to the abrupt change in numbers and types of fossils found at this level of the sedimentary record.

Geologists abbreviate the Cretaceous epoch as K to distinguish it from the Carboniferous epoch, which is abbreviated as C, and the Cambrian epoch, abbreviated as a slashed C.

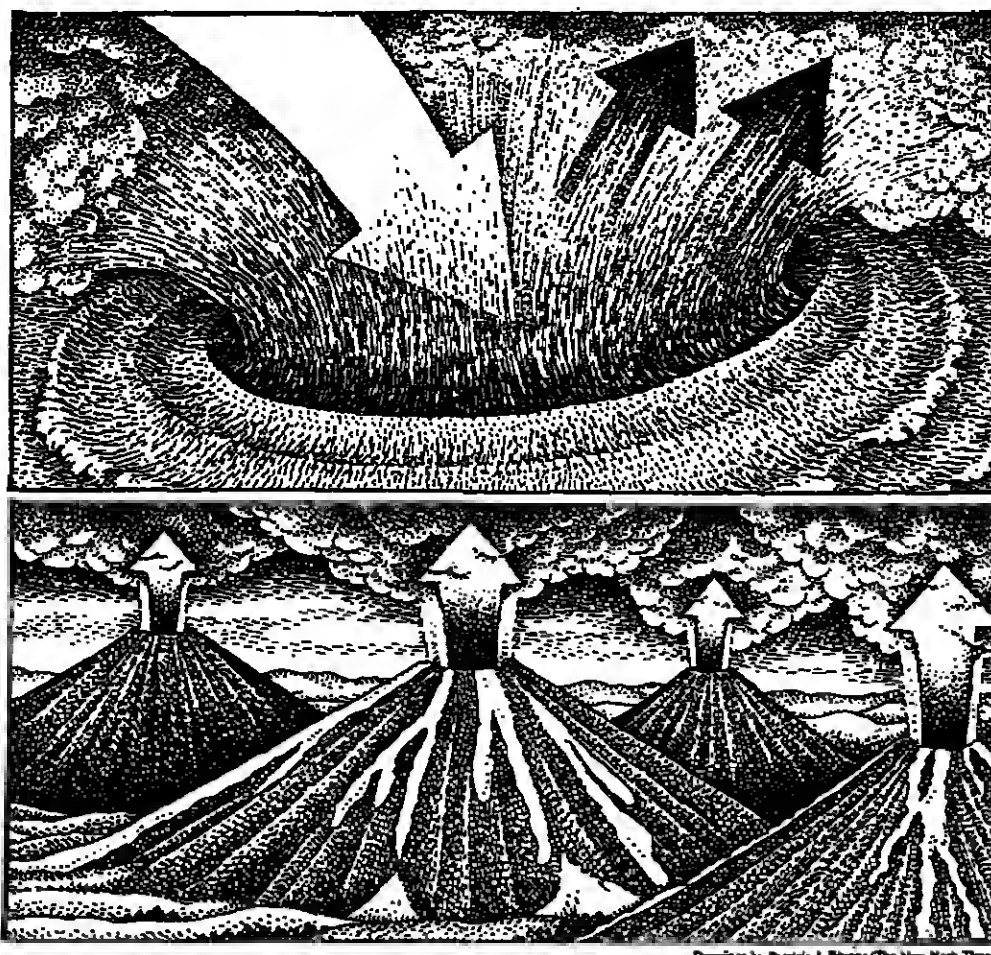
The Berkeley group holds that the K/T extinctions were caused by the impact of one or more comets. Its members believe the impact of an extraterrestrial object a half mile in diameter would have started global wildfires and hurled clouds of dust and soot into the atmosphere, blocking sunlight. This would have chilled the planet, altered its climate, choked off the growth of plants essential to the food chain, and disrupted global habitats enough to trigger mass extinctions.

Opponents contend that fossil evidence from sedimentary rock is inconsistent with such a simple explanation. They say that the dinosaurs appear to have been virtually extinct by the time the impact occurred.

They argue that the K/T extinctions occurred over a span of tens or hundreds of thousands of years and are more likely to have been caused by gigantic volcanic eruptions, changing sea levels, epidemics spread by migrations or other possible factors.

In any case, scientists agree, an understanding of the K/T extinctions could shed light on other mass extinctions, as well as on the milder effects that climate and oceanic change may exert on living things.

Such knowledge could even illuminate mankind's own future in the light of such supposed global threats as a nuclear winter caused by the debris of a nuclear war, the trapping of solar heat by atmospheric gases, depletion of the



Scientists are divided between two rival theories: whether the impact of an extraterrestrial object (top) or a series of volcanic eruptions in India led to the extinction of the dinosaurs.

ozone layer and the precipitation of acid rain with its consequent poisoning of many forms of life.

The main participants in the expedition to Italy, scheduled for Sept. 11-13, will be Dr. Walter Alvarez, the leader of the Berkeley group; Dr. Gary D. Johnson of Dartmouth College; and Dr. Robert N. Ginsburg, professor of geology at the University of Miami in Florida.

Dr. Ginsburg will serve as a referee to supervise the selection and processing of rock samples. At the conclusion of the work, Dr. Ginsburg will ship the specimens, un-

identified except by coded markings, to laboratories. The Berkeley and Dartmouth scientists expect to join in certifying the analytical results when they are disclosed next spring.

The debate began a decade ago as the result of discoveries by Dr. Alvarez and his father, the late Dr. Luis W. Alvarez, who won a Nobel Prize in Physics, and their colleagues at Berkeley.

This Berkeley group discovered that a half-inch-thick layer of Italian clay, laid down at about the time that the dinosaurs disappeared from the sedimentary re-

cord, was extremely rich in the metal iridium.

Iridium is much more abundant in meteorites than in most terrestrial rocks, so the investigators reasoned that the extinction itself resulted from the impact of an extraterrestrial object one half mile in diameter.

Investigators have found soot associated with the iridium-rich K/T boundary clay, suggesting the occurrence of the devastating wildfires associated with a comet's impact. Other researchers have found what they say is further evidence of an extraterrestrial impact: quartz

and other minerals that exhibit features commonly caused by violent shocks.

Opposition to the idea has been especially spirited among the scientists who believe that volcanoes rather than comets were the primary cause of the extinction.

Dr. Dewey M. McLean, a geologist at the Virginia Polytechnic Institute, suggested in 1980 that the gigantic volcanic eruption in India, which produced a lava field known as the Deccan Traps 66 million years ago, filled the atmosphere with so much carbon dioxide and other gases that the greenhouse entrapment of solar heat greatly raised global temperatures.

Heat rather than cold killed the dinosaurs, Dr. McLean believes, and the chaotic environmental changes that accompanied the heating would have been ample cause for mass extinctions.

Dr. Charles B. Officer and Dr. Charles L. Drake, geologists at Dartmouth, became leading proponents of the volcano theory, contributing evidence that the eruption in India had caused a global plague of acid rain, lethal chemical changes in the oceans and ozone depletion in the upper atmosphere, allowing dangerous ultraviolet radiation from the sun to reach the Earth's surface.

One of the many points of contention between the two groups has to do with the distribution of iridium in the sedimentary rock layers above and below the boundary marking the end of the Cretaceous epoch.

The Alvarezs discovered the iridium concentration at the K/T boundary when they sampled and analyzed clay and limestone from sites near Gubbio. They found that sediments below the boundary layer — those older than 66 million years — contained only normal terrestrial levels of iridium. The boundary layer itself contained large amounts of iridium. Younger, higher layers contained some iridium, but the iridium content was found to fall rapidly in still higher layers.

But when the Dartmouth group collected rock samples in 1987 from the same site it got very different results.

IN BRIEF

New Test Spots Heart Disease Early

LONDON (Reuters) — British scientists have developed a means of detecting heart disease in its earliest stages and believe it could be used for mass screening of the population, according to the British Heart Journal. It said their method of "magnetic resonance diagnosis" could detect diseases such as atherosclerosis long before they caused heart attacks.

The method developed by the doctors of the London National Heart and Chest Hospitals involves computer analysis of faint signals given off by the atoms and molecules in human tissue. The electrocardiogram detects disease only when it has begun to affect the heart's functioning.

The test "is the lowest possible warning signal of heart disease," said Professor Donald Longmire, director of the CORDA heart charity which supported the research.

Smoking Linked Again to Crib Death

STOCKHOLM (Reuters) — Women who smoke during pregnancy increase the risk of a late miscarriage by 40 percent and double the chance that their child may suffer crib death, a Swedish study shows. The study, published in the Swedish Medical Association's journal, was based on all 300,000 births in Sweden between 1983 and 1985.

Dr. Sven Cnattingius and Dr. Bengt Haglund at Uppsala hospital who conducted the study said their conclusions confirmed those made in an earlier U.S. study. "Smoking particularly increases the risk of crib death in the first 10 weeks," the doctors wrote.

Alcohol and Breast-Feeding Studied

NEW YORK (Reuters) — Infants of women who drink alcohol and breast-feed may develop their motor skills more slowly than breast-fed infants whose mothers do not drink, according to a study reported on in the New England Journal of Medicine. However, the study found no effect on the intelligence development of the breast-fed infants whose mothers drank alcohol.

"We don't have enough evidence yet to say drinking alcohol and breast-feeding is dangerous. Every woman should judge for herself, but I am troubled by these findings," said Ruth Little, a researcher at the University of Michigan in Ann Arbor, who led the study. "Because of the small amount of alcohol transferred to breast milk, we did not expect to see an association," she said.

Brain Study Explains Power of Emotions

By Daniel Goleman
New York Times Service

THE power of emotions to override even the most rational of decisions may be explained by a new discovery about the brain, researchers say.

The data suggest that the brain is arranged so that critical aspects of emotional life — for instance, primitive fears — can operate largely independent of thought.

This arrangement may explain why phobias and other such emotional reactions are so tenacious despite their obvious irrationality. It may also explain other baffling facts of emotional life, such as why troubling experiences from life's earliest years can have such powerful effects decades later.

"This may explain why we have so little reflective insight into our emotional life," said Joseph LeDoux, a psychologist at the Center for Neural Science at New York University.

"Dr. LeDoux has made a major discovery about the emotional side of learning," said Norman Weinberger, a neuroscientist at the Center for the Neurobiology of Learning and Memory at the University of California at Irvine. Dr. Weinberger added that the discovery had "major implications for learned pathologies like neuroses and phobias."

The new work is, so far, known largely among specialists in cognitive neurobiology, who trace connections between the brain and psychological life.

Although further studies on the findings are needed, other researchers have already begun to use Dr. LeDoux's results in their work.

His research, which was done entirely in rats, included such standard techniques as cutting specific nerve pathways in the brain and observing subsequent changes in the rats' behavior.

The new evidence suggests that certain emotional reactions occur before the brain has even had time to register what it is that is causing the reaction. It suggests, in other words, that emotion can occur before thought.

That view is a direct challenge to the prevailing wisdom in psychology, which holds that emotional reactions follow from thoughts about a situation.

The data also call into question a long-standing view about just which brain structures link together to form the "limbic system," which regulates emotional life.

The hippocampus, long considered part of the limbic system, may be more involved with registering cognitive information than emotions, according to other researchers' findings, reviewed by Dr. LeDoux in an article to appear in the journal *Cognition and Emotion* this year.

His own data put another part of the limbic system, the amygdala, at the center of the primitive emotional reactions that seem to operate independent of, and prior to, thought.

Scientists had assumed that the amygdala, part of the brain that registers emotion, depended on signals from the neocortex, the thinking part of the brain, to form an emotional reaction.

The work of Dr. LeDoux suggests that in many cases the amygdala triggers an emotional reaction before the thinking brain has fully processed nerve signals.

"To simplify greatly, the hippocampus seems to be the focal point for cognition and the amygdala for emotion," Dr. LeDoux said.

"The hippocampus, for instance, is involved in recognizing a face and its significance, such as that it's your cousin. The amygdala adds that you really don't like him. It offers emotional reactions from memory, independent of your thoughts at the moment about something."

"Emotional reactions and emotional memories can be formed without any conscious, cognitive participation at all," Dr. LeDoux added, "because anatomically the emotional system can act independently."

Other researchers had recorded activity in the thalamus or the amygdala during the moments when fear is learned. But it was Dr. LeDoux who discovered the connection between them during the process.

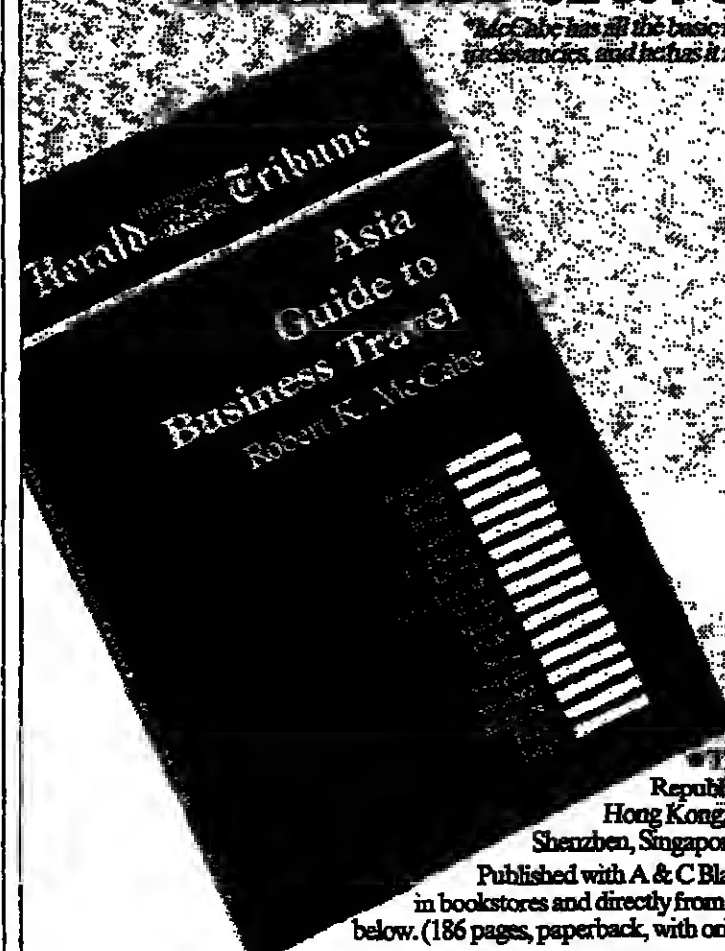
"Dr. LeDoux's research is the first to work out neural pathways for emotional response that don't go through the cortex," said Mi-

chael Guzman, a psychiatry professor at Dartmouth University medical school in Hanover, New Hampshire. "It may explain why so much of emotional life is hard to understand with the rational mind."

"It's the missing piece of the puzzle, showing that fear can be learned without the cortex being involved," Dr. Weinberger said.

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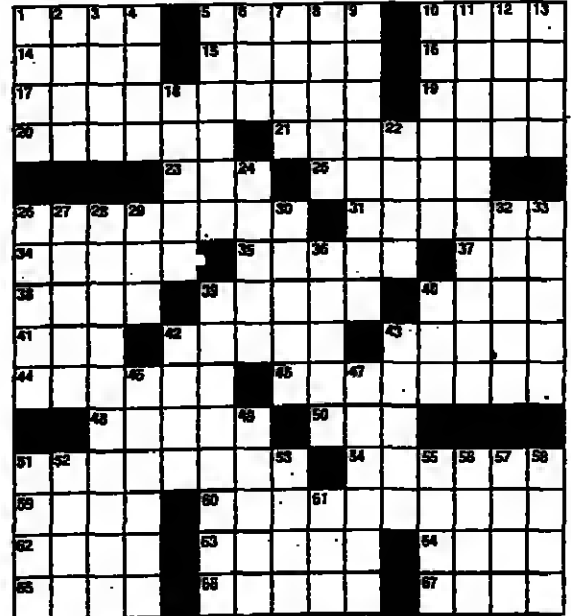
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ACROSS

- Diagonal snipe between opposite corners of 17 Across
- Composer Franz
- News
- Graceful tree
- Gato
- Inter
- Display on an eschelon
- Depend (on)
- Transported
- Suites
- Clergyman's sch
- Carne
- Chaperson
- More crimson
- Pathological condition: Sully
- Parish
- Ending for Taiwan or Annam

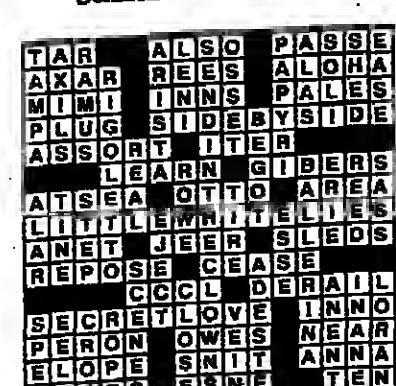
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- Spasms
- Like a judge
- Der — (Adenauer)
- Botanist Gray
- Kind of fly trap
- Drew back in fear
- Cured meat
- Emphasizes
- Statutory
- Inning closer
- Assesses proportionately
- Lyndon's middle name
- Record
- Top to bottom division of 17 Across
- Scraped by
- Curtain fabric
- Former coin of India
- Decorate anew
- Bandleader
- Skinny



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Solution to Previous Puzzle



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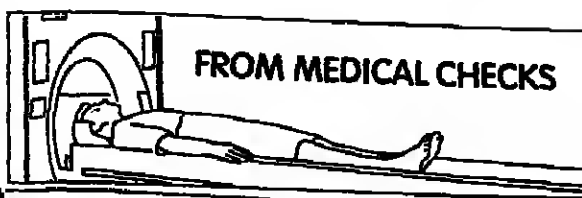
- Moderate blue
- Harrow rival
- Approach
- Kind of bank
- Stored hay, in a way
- Ecol. agency
- German gentleman
- Visored helmet
- Painting luxer
- Merited
- Ins in 17 Across
- Ceramic flooring
- Simon —

ACROSS

- Comb. log
- Brain passage
- Casaba, for one
- Fibrous plants
- Mrs. Gorbachev
- Having wavy lines, as 17 Across
- Female rel.
- Device representing one's personal name on 17 Across
- A lauder
- Orchestra section
- An Italian sauce
- Tending to calm

DOWN

- Cries of confinement
- Large star in Lyra
- Bristles
- Shipworm
- Muscovite's wherewithal
- Dud
- Feather: Comb form
- Roué
- Whirl
- Muslim priest
- Hawaiian goose
- Sicilian city
- South African town
- Former ring king



THURSDAY, AUGUST 17, 1989

INTERNATIONAL MANAGER

Are Executive Careers Hindered by Sabbaticals?

By SHERRY BUCHANAN

LONDON—Sabbaticals, a fact of life for college professors, have long been suspect in the business world, where conventional wisdom has it that tough managers do not go on leave. Then John Sculley, the chairman of Apple Computer Inc., took 9 weeks off earlier this year and told Fortune magazine about how good the break was for him and his company.

Back in 1983, Olivier Leccor, then chairman of Lafarge-Coppe, the French construction group, took a year off.

A few U.S. and French companies, such as Tandem Computers Inc., Digital Equipment Corp., Apple, McDonald's Corp., the British retail group John Lewis Partnership and Club Méditerranée, also swear by sabbaticals. In the view of these companies, granting people additional paid or unpaid time off helps recruit talented employees, reduces burnout and gives people a chance to do things they otherwise would not have time to do.

Mr. Sculley built a barn, an executive from John Lewis who keeps his construction in his living room worked as a volunteer for the reptile house at the London Zoo, a hardware programmer at Tandem went to work in West Africa on a livestock program and one McDonald's executive just stayed home.

"People need to take time out for themselves," said Des Di Pietro, corporate manager of health and welfare at Tandem. "This way they can live out their dreams at a young age so they would not want to take early retirement. We believe they come back more productive." Tandem allows employees who have been with the company four years up to six weeks off every four years.

But the longer employees are away, the more they worry that it interrupts their careers and lowers their status in the organization. It seems the only time and place it is relatively safe to take time off is at the very top: Obviously, John Sculley and Olivier Leccor got their jobs back.

"The problem with sabbaticals is that French executives worry that if they leave for six months to a year, they would not have a job when they come back," said Michel Perchet, director of human resources at Club Med in Paris. The organization regularly sends its chefs de village on six-month paid leaves and guarantees their jobs.

THE FEAR OF HURTING one's career explains the relatively limited success of the French government's unpaid leave program, which legally entitles every employee who has spent three years in one company and six years in the work force to six to 11 months off without pay. The year after the law was introduced, for instance, only 15 of the 98,000 white-collar workers at Renault took sabbaticals.

But some executives who want to get away are willing to take the risk, as long as they know exactly what to expect from their employer at the outset. Company practice differs widely. McDonald's, Tandem, Club Med and the John Lewis Partnership, for instance, guarantee that people will get the same job back after they return from leave. But those companies limit sabbaticals to six months.

Digital Equipment in Britain guarantees that employees can return to an equivalent job at the same or higher level of pay. But the large majority of companies that do not have any formal sabbatical program do not guarantee anything.

"It's worth the small risk for having the pleasure of traveling for a year," said Jackie Boyall, a public relations executive with Digital in Britain, who is about to take a one-year sabbatical.

See SABBATICAL, Page 12

Currency Rates

Cross Rates	Aug. 16
American dollar	2.795
British pound	1.645
French franc	6.55
German mark	1.36
Italian lira	2.36
Japanese yen	163.6
Swiss franc	2.0
U.S. dollar	1.00
West German mark	1.36
Yen	163.6
Other dollar values	
Argentine peso	1.36
Australian dollar	1.36
Belgian franc	1.36
Canadian dollar	1.36
Dutch guilder	1.36
Spanish peseta	1.36
Swedish krona	1.36
Swiss franc	1.36
U.S. dollar	1.00
West German mark	1.36
Yen	163.6

Currencies in London, Tokyo and Zurich. Rates in other centers. New York closing rates. Commercial banks. To buy one pound: £1. To buy one dollar: \$1. Units of 100: N.A.S. not quoted; N.A.S.: not available.

Forward Rates	Aug. 16
1 month	1.36
3 months	1.36
6 months	1.36
1 year	1.36

Source: Reuters and other sources. Rates for 100 units of foreign currency per U.S. dollar.

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1992 Promises \$4 Billion-a-Year European Industry: Fraud

By William Tuohy

Los Angeles Times Service

BRUSSELS — Widespread fraud is costing European Community taxpayers at least \$4 billion a year and possibly twice that amount, according to observers here. They predicted the single integrated market scheduled to come into being after 1992 would make the situation even worse.

The fraud, which mostly involves agricultural subsidies, is said to extend to all 12 countries in the community. Among others, it involves Italian and Spanish wine makers, Irish and British pig farmers, Dutch and Danish dairymen, Greek and Portuguese grape growers and West German sausage makers.

Those masterminding the conspiracies include white-collar executives in Northern Europe, Irish Republican Army activists

on the border of Northern Ireland and Mafia in Italy.

"We can't even assess our loss," Pieter Dankert, a Dutch member of the European Parliament, complained recently. "We simply don't know how much we are missing. It could be \$4 billion; it could be a lot more."

Klaus Tiedemann, a professor of criminology at the University of Freiburg, estimates that at least 10 percent of the European Community budget of \$44 billion is skimmed off by fraud every year.

He, too, says that figure may be on the low side, for only recently has any notion of the extent of the fraud come to light. "Once the internal border controls are abolished at the end of 1992," Mr. Tiedemann said in an interview, "I fear that the fraud will increase."

The European Commission, the execu-

tive arm of the community, has set up an anti-fraud squad in Brussels, and an independent Court of Auditors has been established in Luxembourg, but neither has been able to do much to lower the staggering scale of theft, according to specialists.

One report, by Britain's House of Lords, said, "The reported fraud is no more than the tip of the iceberg." It added, "The huge sums which are being lost due to fraud and irregularity against the community are losses borne by all the taxpayers and traders of Europe. This strikes at the roots of democratic societies and is a public scandal."

Mr. Dankert, the Dutch member of the European Parliament, said, "After 20 years, we are finally admitting the problem. Now we have to come to grips with it."

John Tomlinson, a British member, said,

"I don't want just to shout, 'Shock, horror!' I want to stop the fraud."

Although Mr. Dankert, Mr. Tomlinson and others pointed out that most of the fraud involved agricultural subsidies paid to farmers and exporters, it can also involve funds paid out in many other areas, among them steel and textiles.

"Basically," an EC official said, "what we used to call the Common Market produces much more than it can consume or can sell to other countries at the going world price—hence the subsidies given to members for hundreds of different items they export."

Subsidies for choice beef, for example, are higher than those for cheaper cuts and higher on shipments to poor countries such as Egypt than to beef-rich countries like the United States, Canada and Argentina.

One operation went like this: A farm exporter shipped off-label as prime beef in order to obtain the highest export refund. Then he re-imported the low-grade meat, now labeled choice beef in order to evade import duties. That went on for two years and netted the swindler almost \$20 million before it was uncovered.

A clever operator can say that meat is headed for a subsidy-rich African destination when it is actually going to a country with a lower payoff.

Then there was the so-called merry-go-round fraud in Ireland. Cattle and grain were smuggled across the Northern Ireland border in one direction and then, because of differentials between Britain and Ireland, shipped back to collect a subsidy. In

See FRAUD, Page 12

Douglas Aircraft Gets Ahead of Itself

By Richard W. Stevenson

New York Times Service

LONG BEACH, California — The sprawling McDonnell Douglas Corp. aircraft plant here testifies both to the recent success of the company at selling its planes and to the perils of rapid growth.

Virtually moribund six years ago, the Douglas division now has enough orders for its commercial jetliners and military transports to keep it at full capacity well into the 1990s.

But the company has failed to devise a management system capable of developing and building the planes efficiently enough to make a profit.

The operation is suffering from parts shortages and the problems of training thousands of new workers. Deliveries are behind schedule, development programs are lagging and cost overruns and technical problems have plagued the division's major projects.

The division's large losses this year have driven McDonnell Douglas's stock price down sharply and have caused the corporation to post operating losses in the first and second quarters.

"They're expanding to be 10 times the size in the early 1990s that they were in the early 1980s, and that's been too much happening too quickly," said Paul H. Nisbet, an analyst at Prudential-Bache Securities Inc.

And since a crash in Iowa on July 19 that killed 111 people, the company has also faced new questions about the design of its DC-10 aircraft. Although Douglas no longer makes that model, its new MD-11 plane is largely based on the DC-10 design, and some analysts think it may have to be modified.

John F. McDonnell, who became chairman and chief executive of McDonnell Douglas last year, has made clear that he is committed to turning Douglas around.

He sees transport aircraft as having more growth potential than the company's other main business, combat aircraft, which are more vulnerable to Pentagon cutbacks.

"He clearly thinks in the longer term, he knows he will never get from here to there by doing business as usual, and he has guts," said Wolfgang H. Demisch, an analyst



Douglas Aircraft's popular MD-80 mid-range jets being assembled in Long Beach, California.

at UBS Securities. "There are some indications the problems are cresting, but that doesn't mean they are reaching yet."

This year, McDonnell Douglas set in a new management team from corporate headquarters in St. Louis to overhaul the division.

Headed by Robert H. Hood Jr., the new managers have spent the last six months making sweeping changes to cope with the crash of orders.

The company says the changes, many inspired by Japanese team-oriented approaches to production, will pay off in increased efficiency and quality, although so far they have only added to the chaos.

"The first indication that change is working is when you go out and see smiles on the faces of the people building the products and hear heated discussions about getting the job done," said Bill Brink, Douglas's deputy general manager for quality.

"When you see that kind of energy, you're going to see improvement in business performance not too far down the path."

Douglas Aircraft, the home of McDonnell Douglas's transport aircraft business, is the second-largest component of the company,

Success and Its Surprising Result

Big Workload
The four programs at the Douglas Aircraft division of McDonnell Douglas Corp. Figures are as of June 30.

MD-80	MD-11	C-17	T-45 Goshawk
Mid-range commercial jet	Wide-body commercial jet, in development	Air Force transport plane, in development	Navy jet trainer, in production
Deliveries: 819; Orders: 401	Orders: 85; Options: 220	Expected total orders: 210	Expected total orders: 300

Big Loss	Figures for the transport aircraft segment (Douglas) in the first six months of each year.
Revenue	\$2.05 billion
Operating Earnings	\$36 million

Revenue	Operating Earnings
1988	\$224 million
1989	

Source: McDonnell Douglas Corp.

after the combat aircraft segment. That unit is based in St. Louis and makes the F-15 and F-16 fighters. It also is developing the A-12 attack plane for the U.S. Navy.

For the first six months of this year, Douglas had an operating loss of \$224 million on revenue of \$1.93.

See DOUGLAS, Page 11

U.S. Industries Reverse Slide In Production

Compiled by Our Staff From Dispatches

WASHINGTON — The Federal Reserve Board reported Wednesday that U.S. industrial production climbed 0.2 percent during July, reversing a two-month slide and providing evidence the economy may avoid a recession.

At the same time, the central bank said capacity utilization at the nation's factories, mines and utilities was stable at 83.6 percent during the month.

The Commerce Department reported separately that housing construction continued to rebound from the depressing effects of high mortgage rates, with a 0.8 percent increase in housing starts last month.

The uptick in industrial production was spurred by a 0.5 percent gain in the manufacture of nondurable goods, while the manufacture of durable goods — those designed to last three or more years — stayed even during the month, despite weakness in the auto sector.

Sagging auto production helped push production of consumer goods down 0.4 percent during the month, as the output fell to an annual rate of 6.8 million units in June to 6 million units in July.

The weakness in the economy still seems to be concentrated in the auto industry, said Cynthia Latta, an economist with Data Resources Inc. of Lexington, Massachusetts. "Overall, the report suggests that the economy is slowing nicely and does not seem to be headed straight for recession."

The increase in industrial production follows 0.1 percent declines in May and June. Production was 2.7 percent higher than in July 1988.

The report of increased housing starts could mean more jobs in the construction and building materials industries, and additional employment and sales in such house-

ing-related businesses as home furnishings and appliances.

The Commerce Department reported that new homes and apartments were built in July at a seasonally adjusted annual rate of 1.43 million units, up from 1.42 million units in June.

The housing industry had been among the sectors hardest hit earlier this year as the Fed drove interest rates up to restrain economic growth and contain inflation.

(UPI, AP)

Stronger Sales By the 'Big 3' Boost Stocks

Reuters

DETROIT — Shares in U.S. automakers rose in heavy trading Wednesday, one day after the companies reported stronger-than-expected sales for early August had helped to reduce the companies' inventories to levels considered ideal. It marked the first time this year that inventories have been in line.

General Motors Corp. shares were the most active in New York Stock Exchange trading Wednesday, up 25 cents to \$45.25. Ford Motor Co. was the second most active, up 87.5 cents to \$31.875. Chrysler Corp. shares were unchanged, however, at \$25.

Sales of all domestic cars and light trucks rose 8.2 percent Aug. 1 to 10 from a year earlier. The Big 3 U.S. automakers all reported gains in the sale of light vehicles, with Ford's sales increasing 12.7 percent, Chrysler's 10.5 percent and GM's 1.5 percent.

Philippines Unveils Plan To Cut Debt

By Paul Blustein

Washington Post Service

WASHINGTON — Philippine government officials briefed Treasury Secretary Nicholas F. Brady on Wednesday on the debt financing package the country and its lending commercial banks have agreed to in principle, a U.S. official said.

The official said the U.S. Treasury was pleased with the agreement, which will provide the Philippines with new loans and provide a facility to buy back some outstanding debt.

The debt-reduction agreement puts more emphasis on raising fresh loans for Manila than on cutting its \$28 billion debt.

In an apparent bid to differentiate itself from the economically depressed debtors of Latin America, the Philippines will attempt to borrow money from international banks on a "voluntary" basis — without the arm-twisting from government officials usually linked to bailouts of indebted countries.

Under the accord, the Philippines also will seek to buy back some of its debt at a discount in the open market.

The Philippine accord contrasts sharply with the agreement reached last month between Mexico and its creditors, the first such arrangement under the debt-reduction plan of U.S. Treasury Secretary Nicholas F. Brady. The Mexican accord offers banks the option of putting up specific amounts of fresh loans according to a set formula, or accepting the equivalent of 35 percent reductions in their principal or interest payments.

Officials and bankers said that they did not consider the accord a break with the Brady plan, because it did envision that the Philippines would attempt to reduce its indebtedness. Manila will use cash reserves obtained from the International Monetary Fund to buy back some of its debt at a discount from banks that accept cuts in claims.

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Bumble Bee Will Be Sold By Pillsbury

The Associated Press

MINNEAPOLIS — Pillsbury Co. said Wednesday that it will sell its Bumble Bee Seafoods Inc. subsidiary to an affiliate of Unilever Co. of Thailand for \$269 million in cash.

The sale of Bumble Bee and its Santa Fe Springs, California, manufacturing facility to the newly formed Uni Group Inc., a U.S. affiliate of Unilever, is expected to be completed in September, the company said.

It follows Pillsbury's announcement last week that it will sell its Van de Kamp Seafoods division to the Whittman Corp. of Chicago for about \$140 million in cash.

"Bumble Bee, like Van de Kamp's, is an exceptionally strong company," Jan A. Martin, chairman and chief executive of Pillsbury, said in a statement. "However, it does not fit with Pillsbury's long-range strategy for its core businesses."

Pillsbury was acquired by Grand Metropolitan PLC of Great Britain in January. Since then it has sold or made plans to sell units that include five food-processing facilities in Latin America, the Azteca Mexican Foods business and S&A Restaurant Corp.

In addition, Grand Met has shut down a pizza plant in Missouri, a sweet potato plant in North Carolina and a potato side-dish plant in North Dakota. More than 500 employees at Pillsbury's Minneapolis headquarters and an equal number of non-restaurant workers in the company's Burger King system have been laid off since January.

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FRAUD: A Costly Epidemic for EC Taxpayers

(Continued from first finance page)

In this case, the outlawed Irish Republican Army, which is seeking to drive the British out of Northern Ireland, is believed to have received a share of the windfall.

On one occasion, railroad ties left Amsterdam for Africa labeled as beef, with resultant big profits in meat subsidies.

Sometimes goods are not even exported. Phony paper work is presented as evidence that subsidies are owed to the "exporter."

The Mafia is said to be behind claims for millions of dollars in subsidies for tomatoes and citrus fruits in southern Italy that have never been grown, let alone shipped.

The rationale behind the huge agricultural subsidies is that they keep small farmers and villages in business and thus protect traditional country life.

"There's a point to the argument," one official said. "But all too often, subsidies simply turn the farmers into fraudsters."

According to observers, one reason for the widespread fraud in the community is that it is perceived as a victimless crime. It is the community that many found their jobs bor-

ning that is being cheated, in this view, not one's neighbors.

The farmers involved are generally supported by producers, merchandisers and exporters, as well as by lawyers and accountants who cook the books that they present to customs agents and European Community officials.

Some cynical observers believe that it is difficult to root out fraud while the European Commission and ancillary agencies are themselves rife with questionable working practices. Back-scratching and favoritism are endemic, as British author Nigel Tait points out in a recently published book, "Europe on the Pledge."

Mr. Tait suggests that there is corruption at the core — facilitated by large salaries for the Brussels staff, the difficulty or near-impossibility of firing anyone and the easy access to early retirement on full pension.

A high proportion of middle-level employees of the European Community claim disability at work or "professional illness" to qualify for 70 percent of full pension at current salary. It is suspected that many found their jobs bor-

ing and chose a soft way out in time to begin a second career.

European Commission President Jacques Delors tends to turn a blind eye toward the situation, which he calls a "fake issue."

Many observers said they believed the removal of national barriers by the beginning of 1993 would increase the opportunity for fraud rather than reduce it.

Agricultural subsidies may be shifted to planned regional development aid to the community's poorer countries, and that could open the way for even more massive swindles.

"These fraudsters can always stay two steps ahead of the game," Mr. Tomlinson said.

He wants clearer, shorter regulations, tighter laws, better export controls, closer auditing, more careful inspection and the tough pursuit of lawbreakers.

"And we have to stop producing surpluses," he said. "No surpluses, no subsidies, no fraud. We have to change the system that gives rise to all the criminality. This direct threat from European citizens is unacceptable."

SABBATICAL: Does Time Off Damage a Career?

(Continued from first finance page)

without pay. Digital guarantees her an equivalent job at the same or higher pay.

If, for some reason, things did not work out on her return, she would receive severance pay. Her husband, however, who is also on sabbatical, will only get his job back with BIS, the computer-services company. If BIS is doing well,

"There was no guarantee of employment, but I was still a Citibank employee on inactive status," said Craig Bentley, an executive with Citicorp in Boston, who took a two-year leave of absence when he was treasurer with Citibank in Amsterdam. "That gave me some sense of security."

During his two years off, he and his wife traveled and lectured throughout Asia and worked for the International Rescue Committee in Cambodian refugee camps on the Thai border. Back from the trenches, he could not reach a mu-

tually acceptable arrangement with Citibank and switched to Bank of Boston.

From the company's point of view, paid sabbaticals are costly and difficult to administer, especially in rigid and hierarchical structures that do not like dealing with temporary replacements. This partly explains why sabbaticals are still the exception rather than the norm.

Companies will not disclose how much sabbaticals cost. But paid leave was one of the benefits that Control Data Corp. eliminated when it became less profitable. On the other hand, employers that offer sabbaticals claim a decrease in stress-related claims, annual turnover that is lower than the industry average, and the opportunity to learn new skills for those who fill in for the executive on leave.

"You have to get over the internal attitude of 'how will they manage without me,'" said Cas More-

hen, field services manager for McDonald's franchises in Britain and Ireland. "In fact, it was an ideal opportunity for my subordinate to be on his own and take his own decisions." He said he came back "firing on all cylinders," after a 10-week sabbatical spent at home and traveling.

Following the corporate mergers and restructurings in recent years, which have prompted many managers to put themselves first and the company second, corporations also hope that sabbaticals will help retain staff and reward corporate loyalty. John Lewis Partnership gives six months of paid leave to partners who are over age 47 and have more than 15 years of service. McDonald's gives managers with 10 years of service three months of paid leave.

"A lot of people go through a midcareer crisis in their thirties," said Mr. Morehen of McDonald's. "Three months' paid leave is something to hold them in there."

CAREER OPPORTUNITIES

WWF - World Wide Fund for Nature was founded in 1961, and is the largest private conservation organization in the world. Based in Gland, Switzerland with 27 National Organizations and Associates on five continents, it aims to conserve the natural environment and ecological processes essential to life on earth.

WWF publicizes threats to the environment and aims to attract, on a worldwide basis, the strongest possible moral and financial support. It provides a link for scientific resources, business interests, efforts of government and the public at large. It has been most successful in serving as a catalyst for conservation action.

WWF is strengthening its Information and Media Relations capacity to face the communications challenges of the 1990's and is looking for highly qualified communications professionals to fill the following positions.

HEAD OF MEDIA RELATIONS

We are looking for a professional communicator and manager to help run our dynamic Information and Education Division and to develop our media relations and publications activities in the 1990's. The appointee will act as deputy to the Divisional Director. We need someone who can write, edit and coordinate WWF's publications output. S/he will be responsible for press and other media activities with particular emphasis on improving positive TV coverage of conservation and WWF's role. S/he will manage a team of four dedicated professionals plus back-up staff and will deal with international media at a senior level.

Qualifications

WWF works in English but fluency in French is also essential. Other languages would be an asset - particularly Spanish and German. The appointee should have a sound understanding of nature conservation, and should have worked in the communications industry for a minimum of 15 years. The successful candidate must be able to act as a spokesperson for WWF on major international environmental and conservation issues such as saving tropical forests and wetlands, maintaining biological diversity, and reducing air pollution. He/she should have a proven track record of building and maintaining good working relationships with journalists from major media outlets. Experience in managing creative staff is essential.

PUBLICATIONS ASSISTANT

The Publications Assistant will be involved in researching, writing, editing and publishing WWF's major printed output.

Qualifications

The Publications Assistant should have English as his/her mother tongue and must have worked on conservation/environment issues. Fluency in French would be an advantage. S/he should have experience in writing, editing and publishing and a sound knowledge of production techniques including a working knowledge of design and layout.

This is a challenging and fulfilling post for someone with several years appropriate experience.

SCIENCE WRITER

A Science Writer is sought to produce accurate and up-to-date material on conservation and environment issues as they evolve. S/he must be able to assimilate information rapidly and distill lengthy reports into accurate and easily understood statements for use by WWF's network of information professionals around the world.

The appointee will also contribute articles and material to WWF's wide range of publications.

Qualifications

Applicants must have a degree in one of the environmental sciences and experience in writing for a scientifically oriented publication. A solid background in summarizing complex scientific arguments into easily understood and accurate articles is essential. Previous experience in writing on such issues as tropical deforestation, biological diversity, the conservation of species, energy and resource conservation and climate change is necessary.

CAMPAIGNS ASSISTANT

The Campaigns Assistant will help WWF influence governments and international institutions to improve their conservation activities. The appointee will organize workshops, write position papers, participate in press conferences and work with delegates to international meetings.

Qualifications

S/he should have a background in campaigning and/or journalism and a qualification in one of the environmental sciences. The successful candidate will probably be in her/his mid 20s, have excellent communications skills and experience working in a non-governmental organization. An in-depth knowledge of contemporary environmental issues is essential and candidates must be able to work to short deadlines in a close-knit team. An understanding of some of the following issues is essential: tropical forest and wetlands conservation; trade in endangered species; preservation of biological diversity and pollution. Candidates should be able to work in English, and fluency in French, Spanish or German would be an advantage. Please send applications, including recent CV, and photograph, clearly stating post applied for to the Personnel Officer, WWF International, Avenue du Mont-Blanc, 1196 Gland, Switzerland. Applications will be treated in confidence. The closing date for applications is 15th September, 1989.



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◆ INDONESIA ◆

Economy Thriving After Recent Deregulation

Indonesia's economy, for so long hostage to the whims of the oil and commodities marketplace, is on the move, propelled by fresh investment aimed at making the world's fifth most populous country a major exporter of manufactured goods.

The drive to create new sources of foreign exchange began with the first oil slump in 1982 and picked up speed when the price of Indonesia's most important product fell from \$28 per barrel to as low as \$10 per barrel in 1986.

Even as Indonesia has gone on to become the world's leading exporter of liquid natural gas, reliance on petroleum products has declined. Non-fuel exports exceeded oil and gas sales for the first time in 1988 and are projected by Minister of Trade Arifin Siregar to increase by an average of 15.6 percent over the next five years, which constitute Re-pelita V, the fifth five-year development plan to be enacted under the leadership of President Suharto.

"I am confident that the target will be achieved, especially thanks to the closer joint efforts between the government and the private sector," says Mr. Arifin, a key player in Jakarta's plans to loosen its grip on the economy.

The former governor of the central bank says the current export surge owes much to the increased competition now encouraged in the financial sector following deregulatory measures introduced late last year. After a decade of closed doors, Jakarta has invited foreign banks to enter the country, and for the first time they can open branches outside the capital.

At the same time, state banks' advantages have been curtailed to create more lively competition in the evolving equity market, a key part of Finance Minister Johannes Sumarlin's liberalization scheme. Investors abroad seem convinced:

the amount of foreign investment approved in 1988 tripled, to \$4.4 billion.

The firmer financial foundation being built beneath the soaring export manufacturing structure has won praise from international lending sources, including the World Bank, which last year credited Indonesia's economy with performing "remarkably well" in a "difficult environment."

Indeed, for all the success stories beginning to emerge from the sprawling archipelago, the limitations imposed by geography, population pressures and historical underdevelopment are daunting obstacles. Officials figure annual economic growth must average 5 percent just to stay even with the expansion of the population.

Indonesia won a gold medal from the United Nations in June for shrinking its average family size from seven to 3.4, but with a population of 175 million — a majority jamming the landscape of Java — two million new jobs must be created every year to keep up.

The agricultural heritage of the nation is still cause for pride. Once the largest rice importer in the world, Indonesia's 1988 production rose 4 percent to 28.1 million tons, and a similar rate of increase this year means the staple crop will actually be exported — but the rice industry can no longer absorb the burgeoning workforce.

Thus, industrial expansion is aimed at fields promising the greatest employment growth, such as textiles, which now account for 1.5 million jobs. Long an important



Rice paddies and Merapi volcano in central Java; rice production rose by 4 percent in 1988.

part of Indonesia's cultural tradition, textiles have only in recent years become a leading export earner.

Fabric and garment sales abroad came to \$1.425 billion last year and Ian Daskian, head of the Indonesian Textile Association, forecasts more than double that figure within five years. Keeping to that goal depends on attracting sufficient investment. Mr. Daskian figures it will take \$5.2 billion and bemoans high interest rates, which diminish his country's advantages over Taiwan and Korea in labor and energy costs.

Another challenge is overcoming the threat of protectionism abroad, particularly in the United States, Indonesia's biggest customer. Indonesia itself has been accused of protecting its industries overzealously, a point Mr. Arifin concedes, noting the stagnation that has afflicted many sectors of the economy.

The trade minister points out, however, that the old system of import monopolies and sole distributorships that eliminated competition has been abandoned for more than 65 percent of Indonesia's import products. More are on the way out, he promises, along with com-

plex regulations and a \$1 million minimum on investments that kept many smaller foreign enterprises from starting up businesses that might contribute to economic growth.

Announcing a package of reforms late last year, Radius Prawiro, coordinating minister for economy, finance, industry and development supervision, said the dismantling of business and investment restrictions now under way is "broader and more sweeping than any others in the area of trade and industry so far. We are determined not only to improve the efficiency

and competitiveness of our domestic economy, but also to demonstrate our firm commitment to dynamic global trade."

Indeed, deregulatory reform package announcements have become as common as palm trees along a Balinese beach. Last October, the banking, finance and monetary sectors were restructured. In November, the shipping industry was deregulated, red tape was slashed in the trading sector, non-tariff barriers were toppled and the rules that kept foreign investors

Continued on Page 15

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Batam Island: Tiny but Thriving as Duty-Free Port

Once practically deserted, Batam is now a fast-growing export processing zone that takes full advantage of its proximity to the neighboring republic. Special deals for foreign investors and duty-free status are intended to stimulate trade opportunities, though due to inexperience and incomplete infrastructure, that process is off to a slow start.

Lack of development has had a silver lining, however: in 1987 Batam became Indonesia's third most visited tourist destination on the strength of its bucolic appeal to harried Singaporeans escaping city life. Some 20,000 a month take the half-hour ferry ride.

But tourism is not the main reason Jakarta planners earmarked funds for the 400-square-kilometer (154.4-square-mile) islet. Industry is on the rise, and Batam's location on one of the world's leading shipping routes is its greatest asset. Exports have begun to flow out as well. When \$700,000 worth of steam boiler components made by PT Babcock Wilcox Indonesia were shipped off to the United States, a joint venture launched in 1986 was finally filling Batam's promise.

Mr. Soepandi, chairman of the Batam Industrial Development Authority (BIDA), says \$70 million a year in investments will flow into the island as light and heavy industry and agribusiness potential is exploited. Current investment is more than 1 trillion rupiah (\$585 million), about one third of it from the Indonesian government.

Already, the population has doubled to 76,000 since industrial development began nine years ago. BIDA predicts 700,000 Indonesians and foreigners will live on Batam by the year 2005. If all goes according to plan, they will reside in tidy suburbs clustered within 15 minutes of

office complexes and industrial parks. White sand beaches will be no more than 30 minutes away.

Batam now has a skeleton of infrastructure — new roads, water and electricity lines — which long-settled parts of the country still dream about. Hang Nadim Airport is due for a \$47 million runway expansion that will accommodate jumbo jets by 1992. Construction of port facilities is imminent: a \$50 million loan from the Netherlands recently kicked off the Asia Port

project. Due to be finished in 2006, it will include a general cargo terminal, a bulk terminal for liquid cargo and room for ships of up to 150,000 deadweight tons.

Before it competes for any of Singapore's port business, Batam will play a symbiotic role with its more developed neighbor. As labor-intensive industries grow too expensive to be supported in Singapore, Indonesia hopes they will migrate to Batam, where wages are four times lower.

"Batam is a supplement to Singapore," says Mr. Soepandi, a former director of Garuda Indonesia Airways. "We can get what Singapore doesn't have."

That does not mean Batam will remain content with Singapore's leftovers forever. A polytechnic training park is to be the source of home-trained skilled labor. Currently, most skilled workers must be brought in from Java or other parts of Sumatra.

Indeed, competition from within Indonesia promises to be stiffer than it has in the past as other areas are freed from the irksome regulations from which Batam has long been free. "Because of deregulation, Batam is not as special as before," says Mr. Gardiwa. But it is still unique — the big country's little engine of change, out front in the export lane.



Stone carvings at Borobudur, a 9th-century Buddhist temple.

Tourist Delights: More than Magical Bali

Indonesia's supply of tourist destinations is almost limitless, ranging from a snowcapped peak in Irian Jaya to the primordial rain forests of Borneo and Sumatra — with reefs, beaches, volcanic peaks and cultural wonders throughout the country.

Interest in Indonesia as a travel destination has been on the rise since 1982. The trend is expected to accelerate further as more of the world begins to travel abroad and discover that Bali, lovely as it may be, is not all the world's largest archipelago has to offer.

Continued growth could lift tourism to the exalted number-two position, behind oil and gas, on Indonesia's all-important roster of foreign exchange winners. Having cracked the million-visitor and billion-dollar marks in 1987, travel industry planners see opportunities to turn the nation's bounty of scenic and cultural attractions into cash needed for development.

"Our target is 2.5 million arrivals," says Udin Syaifuddin, director of marketing for the Department of Tourism. "So far, we are optimistic. For the first quarter of 1989, we are up more than 20 percent over last year, which was a very good year. That is above our projection of increasing 15 percent each year."

Arrival numbers tell only part of the story, of course. Maintaining the unusually long average length of stay for tourists in Indonesia is a major goal. While neighboring Singapore may attract three times as many visitors, they tend to stay only a third as long. The average stay in Indonesia is 12.7 days.

That number is declining, however, as more tourists from afar buy travel packages that also include Hong Kong, Singapore or even Thailand. It is also affected by the fading importance of the historic link with the Netherlands. Dutch tourists, who travel a long way for their relatively lengthy vacations, are being replaced in Indonesia by the Japanese, known for their whirlwind itineraries designed to fit breaks of less than a week.

Indonesia's travel industry is meeting the challenge with an intensive effort to diversify offerings and upgrade facilities. More than \$1 billion has been invested in tourism projects, though Mr. Udin reports he is "ashamed to say our marketing budget is only \$2 million per year." Perhaps word of mouth is enough for the moment — flights into the country during the July-August high season are nearly impossible to get.

Garuda, the national airline, has almost doubled the workload of its fleet to keep up with the traffic created by Jakarta's new "open skies" policy, which opened new international gateways and eased restrictions on visas. Now that Bali can be reached directly from abroad, its Ngurah Rai Airport has been hard-pressed to keep up, but expansion and renovations are planned over the next five years.

Much of Bali's development has been concentrated in the trendy Nusa Dua area south of Ngurah Rai. Five luxury resorts are there now, enjoying 80 percent occupancy rates; five more will be finished by 1993. The Aerowisata hotel chain, owned by Garuda, was the trailblazer there.

"There is a relationship between the growth of tourism in Indonesia and the growth of Garuda," says Mr. Sunarjo, commercial vice president of the carrier, which posted its first profit in six years in 1987. "No one wanted to build at Nusa Dua,

but we started to build a hotel there and now it's flooded," he says.

Indeed, the luxury zone has been in the forefront of the extensive development taking place on Bali. More than \$300 million has been committed to new hotels on the island lately, and longtime favorites such as the upscale Pertamina Cottages are being expanded. The Sheraton chain will include a five-star Nusa Dua project in its nationwide development plan. Kicking off construction for the \$32 million Bintang Bali resort in the more budget-oriented Kuta section late last year, Director-General of Tourism Joop Ave declared: "Bali should no longer be sold cheaply."

New guest houses offering rooms with breakfast at \$4 a night continue to spring up along the funky Kuta Beach strip, however, assuring that Indonesia will remain a budget traveler's haven.

Indeed, backpackers have blazed the way to many of the far-flung attractions Jakarta now hopes to promote to foreign visitors with a bit more to spend. Mr. Udin says that in addition to Bali and Java, North Sumatra and South and Central Sulawesi are now considered established destinations.

North Sumatra, most often entered via Medan from Penang in Malaysia, offers jungle treks, wildlife in abundance and some offbeat attractions. South Sulawesi has diving, caves, waterfalls and spectacular scenery that extends from the mountainous coastline to the port of Ujung Pandang where Bugis shipbuilders craft wooden boats and sail them as they have for centuries. The Toraja people of Central Sulawesi are the best known of the many distinct cultural groups living there.

Less adventurous tourists are finding Lombok, the island next to Bali, a pleasant getaway. Bungalows at the first-class Senggigi Beach Hotel face white-sand beaches with a gentle surf and snorkeling right offshore. Eastern Lombok is touted as resembling the Bali of 30 years ago.

An improving domestic air system is making some of the more rugged destinations accessible. It is possible to — within just a few days — go white-water rafting in Sumatra, peek into live volcanoes on Java and feed a goat to the Komodo dragons, the world's largest lizards, on remote Komodo Island. Tames, pursuits include visits to a virgin rain forest in Kalimantan.

The government — mindful of the benefits of a relatively non-polluting, job-creating industry — is encouraging the development of innovative travel offerings. In July, Minister of Tourism Soesilo Soederman encouraged police to organize wild boar-hunting expeditions, noting the success of the international skydiving championships held in Bali recently.

Hosting such big events is going to become a habit: Indonesia is scheduled to put on next year's Pacific Asia Travel Association Travel Mart in Bali. In 1991 — Visit Indonesia Year — PATA will hold its annual conference in Jakarta. Impressing all those travel agents will be a tall task, but the raw material is there for a fine product if services can be perfected.

Timber Industry Shifts to Finished Products

Since banning the export of uncut logs in 1985, Indonesia has become the world's leading producer of plywood. More than 300 sawmills and 100 plywood factories have sprung up in areas such as Samarinda in East Kalimantan, providing jobs and generating value-added profits.

The shift from simply clear-cutting timber for shipment abroad to shaping it into planks, panels and even furniture and houses has not eased the pressure on the forests, but it has focused the attention of planners on the importance of preserving a future supply of wood. Current yearly production of 24 million cubic meters (847.5 cubic feet and 31.4 cubic yards) is expected to nearly triple by the year 2000.

Most of the Indonesian half of Borneo is still thickly wooded, but vast tracts have been destroyed by

concession holders over the past two decades, prompting worldwide concern over the fate of the huge island's life-giving rain forests. The 69 logging concessions granted in 1969 have burgeoned to 573 in 1988. More than 90 percent of the forests designated for timber production will have been parceled out by the end of the century.

Destruction of the environment is a "problem of increasing gravity," Finance Minister Johannes Sumarlin told the Asian Development Bank last year as he asked for help in restoring the nation's damaged woodlands. A similar appeal to the World Bank helped bring a \$34 million loan for forest conservation.

"Rebuilding forests is expensive and takes decades to accomplish," Mr. Sumarlin said. While consumers in developed nations will have to bear some of the burden if one of the world's most precious assets is to be preserved, Mr. Sumarlin said: "We recognize that we ourselves — especially our own private-sector forest users — must assume part of the responsibility."

Setting an example for forest products purveyors in Indonesia is PT Inhutani I, a state-owned enterprise established in 1972. Inhutani I is making its name these days more from growing trees than from cutting them down. While the company's sawmill on the Mahakam River still turns tree trunks into planks and door moldings, its research farm down the Borneo coast is answering problems raised by big-time logging. Inhutani I's president, Mr. Wahjoedi, says: "As an agent of development, we should be a model for private enterprise."

Mr. Wahjoedi disapproves of the concessionaires who plundered so much of Borneo's verdant treasure

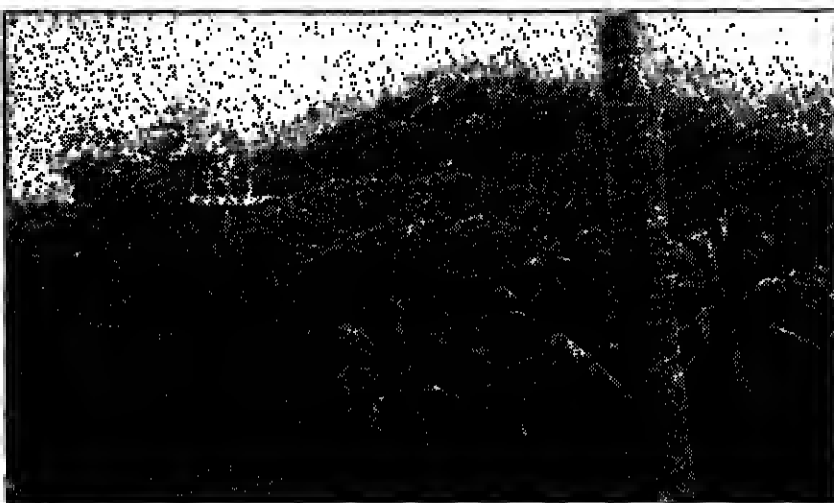
without fulfilling their commitments to replenish the land. He says: "We work with foresters who are professionals. Many of the private operators are non-foresters. Their basic interest is to take the wood from the forest and take their returns quickly."

Inhutani I relies heavily on the research of Willy Snits, a Dutch scientist who knows every nook and cranny of the company's small tract of experimental virgin rain forest. Mr. Snits' studies into seed transplanting have unearthed new solutions to reforestation problems that have stalled many of Indonesia's efforts to replace wood-producing forests.

"Establishing a reliable planting stock has been a problem for decades," Mr. Snits says. But Inhutani I last year planted 3,000 acres of seedlings destined to grow into hardy meranti — one of the dipterocarpaceae species best suited to timber development. By drawing seeds from still-living rain forests, the company hopes to develop tree farms that mimic as closely as possible the conditions nature provided for the original forests.

It will take a long time for the company's investment to pay off fully, and many competitors appear to lack interest in this long-term view, but Mr. Snits says they will have to comply.

"The minister of forests will more or less force concession holders to use the technology that has been provided," he says, adding that the government has little choice if the world's largest timber producer is to stay in the business.



Virgin rain forest, the archipelago's precious natural endowment.

Economy

Continued from Page 14

from distributing their products wholesale were dropped. The next month, foreign securities traders, insurers, credit card providers and consumer financing and venture-capital firms were invited in. A new stock exchange has sprung up in Surabaya. Suddenly, Indonesia looks to be the businessman's land of opportunity.

Taking advantage of the new openness will require sure navigation, however, because Indonesia's inviting shores are surrounded by some dangerous reefs. Foreign debt has swelled during this decade to \$50 billion, largely because of the rise of the Japanese yen in which 40 percent of the debt is denominated.

Most of Indonesia's oil revenues are paid in dollars, so the combination of the rising yen and the collapse of oil prices knocked the economy for a loop. And, debt service has risen to an annual \$6.9 billion.

But Jakarta has managed to stay in control of a difficult situation. Mr. Arifin says that Indonesia "has ad-

justed successfully to a series of severe external shocks, while simultaneously embarking on a major program to restructure, modernize and diversify its economy."

Much of the movement has been incremental, building on a solid resource base. Where ships were once loaded with raw logs on their way to Japanese and Korean mills, they now carry plywood — Indonesia is the world's top producer — and even locally crafted furniture. The government took the lead by banning the export of raw logs, but entrepreneurs are seizing the chance to create value-added products.

And foreign investors are showing confidence where it counts — with their checkbooks. Foreign investment in 1988 climbed to \$4.4 billion, swamping all previous records. The deluge has not let up: the first half of 1989 saw \$2.8 billion more flow in. Sanyoto Sastrowardoyo, chairman of the Investment Coordinating Board, says almost all foreign investors are posting profits.

Much of the money is coming from nations that once filled the economic niche Indonesia seeks. Korea and Taiwan have been investing aggressively of late,

while Hong Kong investors are looking for a safe investment haven in the wake of China's political turmoil.

Private investment is matched by a significant aid package from the Inter-Governmental Group on Indonesia (IGGI), a group of donor nations and organizations that is anteing up \$4.3 billion, mostly in concessional loans, for 1988-89. That sum exceeds the World Bank's suggested \$4.2 billion — testament to the esteem in which Indonesia's economic management is held by its developed-world partners.

Jakarta is not sitting back on its recently won laurels as a "model debtor" — not, at least, if Mr. Sumarlin has his way.

"As the capital base of our economy becomes further strengthened and deepened, I firmly believe Indonesia can look forward to exploring even broader vehicles for mobilizing capital — both public and private — in years ahead," the minister told a conference on post-deregulatory capital funding. "Exciting times lie ahead."

This advertising section was written by Chris Vaughan, a free-lance writer based in California who often writes about Southeast Asia.

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SPORTS

Rose May Face New Problems After Umpire Shoving Match

The Associated Press
Pete Rose, already under threat of a lifetime ban for alleged gambling on baseball, could be in trouble again.

BASEBALL ROUNDUP

Cincinnati's 5-2 loss in 12 innings to the Chicago Cubs in Cincinnati. The Reds' manager and umpire Joe West shoved each other after Rose came to the defense of Ron Oester, his second baseman, who also exchanged bumps with West. Rose had been suspended for 30 days and fined \$10,000 last season by A. Bartlett Giamatti, then president of the National League, for bumping Pallone twice and inciting the crowd.

"You saw what they did when I pushed Pallone last year," Rose said. "Let's see what happens now."

Bill White, the National League president, is reviewing the incident, and should decide on penalties within the next several days, a spokeswoman said Wednesday.

West was involved in a similar incident in 1983. The umpire was

suspended for three days and fined \$300 for pushing the Atlanta Braves' manager, Joe Torre, during an argument.

The incident Tuesday started with a 2-2 pitch to Mark Grace in the top of the 12th, which Bill Hohn, the plate umpire, called a ball. Grace walked and scored on Andre Dawson's game-winning, three-run home run.

"It started on the call on the pitch to Grace," Rose said. "Hohn warned the Reds dugout, and West came over and joined in. Oester said to West, 'Just do your job.'"

In the bottom of the 12th, Oester took a 2-2 pitch and was called out by Hohn, ending the game. Shouting followed between Oester and Hohn, and again West joined in.

Words were exchanged, and West pushed Oester.

The Cubs' manager, Don Zimmer, who was on the field to congratulate his players, said, "For what reason does West have to shove Oester, not once but twice?"

Oester was restrained by teammates as he attempted to get back at West. Rose also intervened and argued with West, pushing him several times.

Rose is under investigation by Giamatti, now commissioner of

major league baseball, for allegedly betting on Reds games.

Mets 3, Padres 2: In New York, Kevin McReynolds tied the game with a ninth-inning home run, and Kevin Elster won it with an RBI double.

Phillies 7, Dodgers 6: In Philadelphia, Ricky Jordan hit a two-run home run in the fourth and won the game with another home run in the eighth.

Cardinals 9, Braves 1: In St. Louis, Jose DeLeon pitched a three-hitter and struck out 10 to take the National League lead with 155 strikeouts. He also singled in a run.

Astros 3, Pirates 2: In Houston, Ken Caminiti hit an RBI single in the 11th as Houston won its 29th one-run victory, the most in the major leagues.

Blue Jays 7, Red Sox 2: Lloyd Moseby, Manny Lee and Rance Mulliniks hit solo home runs, and Mookie Wilson had a double and three singles in an American League game in Boston, where Toronto extended its Fenway Park winning streak to a visitor's record of 14 games.

Orioles 2, Tigers 0: Cal Ripken and Joe Orsulak hit home runs, and rookie Bob Milacki pitched a three-hitter.

Brewers 1, Yankees 0: In Milwaukee, Greg Brock hit an RBI single in the fourth, and Teddy Higuera pitched a six-hitter.

Royals 10, White Sox 6: In Chicago, Kurt Stillwell drove in three runs with a pair of triples, and Danny Tartabull and Mike Macfarlane hit home runs.

Athletics 5, Indians 2: In Oakland, Rickey Henderson hit a lead-off home run for the 39th time, and Jose Canseco celebrated his return to the lineup with a two-run home run.

Mariners 2, Rangers 0: In Seattle, Texas' Charlie Hough pitched his second career one-hitter—both of them losses—as the Mariners' Harold Reynolds hit a single in the sixth and later scored on a balk, a wild pitch and Jeffrey Leonard's sacrifice fly. The Mariners added a run in the seventh on an error.

Angels 3, Twins 2: In Anaheim, Bobby Rose got his first three major-league hits, including a tie-producing RBI single in the fourth and a tie-breaking triple in the sixth.

Dravecky Breaks Arm on a Pitch

The Associated Press

MONTREAL — Dave Dravecky is likely to be out for the season after fracturing his pitching arm — the same one from which a cancerous tumor was removed 10 months ago — in a 3-2 victory by the San Francisco Giants over the Montreal Expos.

Dravecky, who had won his first start since the surgery by pitching eight innings last Thursday against Cincinnati, was injured Tuesday in the sixth inning, dropping to the ground and grabbing his left arm after throwing a wild pitch.

"It sounded like a firecracker," the Expos' right fielder, Hobbie Brooks, said. "I've never seen anything like it, and I hope I never see anything like it again."

"When he went down he said, 'It's broke! It's broke!'" the Giants' manager, Roger Craig, said. "When I first saw him go down, I knew it was something serious."

Dravecky, who pitched five shutout innings before the sixth and got credit for the victory, was conscious as he was taken from the field on a stretcher. X-rays revealed the fracture in the upper arm near the surgical scar. The injury is expected to sideline him for six to eight weeks, effectively ending his season.

Robert Broderick, a doctor for the Expos who examined Dravecky at the hospital, said, "The odds are in his favor that he'll pitch again. ... There is very little damage involving the muscles."



Dravecky holding his left arm after it snapped on a wild pitch.

SIDELINES

K.C. Jones to Help Coach NBA Sonics

BOSTON (AP) — K.C. Jones, a player and coach for the Boston Celtics for 20 years, resigned from the team's front office Tuesday to join the Seattle SuperSonics.

Jones, who was vice president of basketball operations for the Celtics, will work for Seattle as an assistant coach and consultant to the player personnel director. After rejoining the Celtics in 1978 as an assistant coach, Jones served as head coach for four years before moving into management at the end of the 1987-88 season. As head coach, he guided the team to NBA titles in 1984 and 1986.

Neilson began his NHL coaching career in 1977 with Toronto. He joined Buffalo in 1979 as an associate coach and was named coach of the Sabres for the final 26 games that season. He also coached Buffalo in 1980-81. In 1982, Neilson served as coach of Vancouver and took the Canucks to the Stanley Cup finals. He coached the Los Angeles Kings for 28 games in the 1983-84 season. He succeeds Phil Esposito, who was fired in May.



Roger Neilson

Sloan Quits Alabama Athletics Job

TUSCALOOSA, Alabama (AP) — Steve Sloan resigned Tuesday after 2 1/2 years as athletic director at the University of Alabama because of unspecified differences of opinion with the school's new president over the way the athletic program should be run.

Sloan's resignation is effective immediately, but he will be reassigned for six months at his current salary to complete "some on-going projects," President E. Roger Sykes said. Sykes, who was named president by the university's board of trustees last month, said that in the reassigned capacity, Sloan, 45, will work with Tom Jones, faculty chairman of athletics, who was named interim athletic director.

For the Record

Mike Tyson will make his next two heavyweight title defenses against Razor Ruddock and Buster Douglas, probably in that order, a spokesman for promoter Don King said Tuesday. Ruddock, 23, Toronto, is 22-1-1 with 15 knockouts and holds the Canadian heavyweight title. Douglas, an Oklanian, is 28-4-1.

The Soviet Union's Vitcheslav Etkin won the amateur individual pursuit competition at the World Cycling Championships in Lyon on Wednesday. He said he expects to join the professional ranks soon. In the only other final, Italy's Claudio Golinelli won the pro match sprint crown.

The National Collegiate Athletic Association is conducting a formal investigation of the Clemson University football program that could result in the "death penalty" if major rules violations are found. The Atlanta Journal-Constitution quoted unidentified sources close to the investigation as saying.

Jim Gantner, the Milwaukee Brewers second baseman, has suffered severe damage to a ligament in his left knee and is out the rest of the season, the Brewers said Wednesday.

A Vietnamese contingent arrived Wednesday for the Southeast Asian Games in Kuala Lumpur after a 16-year absence from the regional sports competition. Vietnam is sending 64 people for the Games, starting Sunday.

Gastineau Turns To Pro Boxing

The Associated Press

VANCOUVER, British Columbia — Mark Gastineau, the former National Football League star, says he is moving to Vancouver to launch a heavyweight boxing career. Gastineau and his girlfriend, the actress Brigitte Nielsen, arrived Tuesday.

"It's official," said Gastineau. "It would be an awesome feeling to do something like that (box at the pro level) with the odds against you and be able to overcome them, but I've got the potential to do it."

Gastineau, 32, the former All-Pro New York Jets defensive end, is 6-foot-5 (1.96 meters) and 275 pounds (125 kilograms). He says he started boxing about four years ago.

Italy's Lure: Glory, Not Cash

Readers

MILAN — Danny Ferry and Brian Shaw, Messagero Roma's big-name American players, said Wednesday that their move to Italy was motivated more by the chance to play good basketball and help boost the sport in Europe than by big money.

Ferry, one of the highest-rated U.S. college players last season, stunned the National Basketball Association by choosing Rome over the Los Angeles Clippers while Shaw joined the Boston Celtics.

They are reported to be earning \$2 million and \$1 million, respectively, for one-year contracts.

"If I worry too much about money and how much I'm making I will never be the kind of player that I want to be," said Ferry, a 2.1-meter forward who played at Duke.

"I want to keep my mind off money, off the business side, as of tomorrow when I start practice. From then on it's basketball and our team."

Shaw, a guard, was equally adamant that money was not the main reason for the move. He was making about \$150,000 with the Celtics.

"All my life growing up my goal was to have a chance to play in the NBA and have a chance with an organization such as the Celtics," he said. "In that sense it was very difficult to leave. As far as money, that was no motivation at all. It's the challenge of doing something new."

BOOKS

NICE WORK

By David Lodge. 277 pages. \$18.95. Viking Inc., 40 West 23d Street, New York, N.Y. 10010.

Reviewed by Jonathan Yardley

DAVID LODGE, a British novelist in his early 50s who seems to be acquiring a bit of an American following, loves to put his characters in alien settings and find out how they fare. But conflict in Lodge's novels leads less to misunderstanding and confusion than to growth and self-discovery, even if largely unintentional.

"Nice Work," Lodge's eighth novel and, along with "Changing Places," his best, is entirely of a piece with his other books. It takes two people out of their worlds in which their adult lives have been spent, places them in worlds that differ in almost every respect, then lets us observe the comedy—and the education—that results.

The year is 1986 and the setting is Rummidge, a fictional city in the Midlands. Victor Wilcox, in his mid-40s, is managing director of the Engineering and Foundry Division of Midland Amalgamated; Robyn Penrose, in her early 30s, has a temporary appointment at Rummidge University, teaching literature in the deconstructionist and feminist modes. They are an odd couple; indeed they would never become a couple were it not for the Industry Year

Shadow Scheme, a government program intended to address "a widespread feeling in the country that universities are 'ivory tower' institutions, whose staff are ignorant of the modern commercial world." Robyn is appointed to "shadow" Vic one day a week as he does his job.

With that, Lodge is off to the races. Robyn, smart and smug, suddenly finds herself in parts of Rummidge of which she has been merely unaware, and she hates it. "How she wishes she were back in her snug little house, tapping away on her word-processor, dissecting the lexemes of some classic Victorian novel, delicately detaching the hermeneutic code from the prosaic code, the cultural from the symbolic, surrounded by books and files, the gas fire hissing and a cup of coffee steaming at her elbow." Instead she is in an incredibly filthy, astonishingly noisy industrial plant, a place that seems hell incarnate, following in the footsteps of a rude little man whose contempt for her is manifest in every word and gesture.

By chance Vic had seen her only a few days before, tall and red-headed, on a picket line outside the university. "She had been standing on the pavement, holding some silly banner—'Education Cuts Are Not Comic,' or something like that—talking and laughing excitedly with a big-bosomed woman stuffed into a scarlet ski-suit and pink moon boots, and he remembered thinking to himself: so it's finally happened—designer industrial action."

Robyn attacks Vic for oppressive personnel practices, Vic ridicules Robyn for fanciful literary conceits; this marriage doesn't stand a chance. But over the weeks a funny thing happens: Robyn begins to realize that she's a specialist in the 19th-century "industrial novel" who knows nothing at all about industry, and Vic starts to sense that there might be more to life than money and its pursuit.

The next step is natural, if not foreordained. Vic and Robyn take it, but not in precisely the direction one might expect and to ends that are even less predictable. Though Lodge does have a bit of trouble closing the novel, he makes his points: that discrete worlds are not so mutually exclusive as they may seem, that one person's "real world" can be another's fairyland, that we all have something to teach each other.

Along the way to these various conclusions Lodge does some interesting business. His sendup of the semioficials is withering, yet tempered with a certain sympathy. His depiction of factory life is lavishly detailed and closely observed, every bit as convincing as his account of the academic life he knows so well. Admirers of "Changing Places" and "Small World" will be delighted to re-encounter those peripatetic academicians, Philip Swallow and Morris Zapp, and to see that Lodge's wit is as keen as ever.

Jonathan Yardley is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

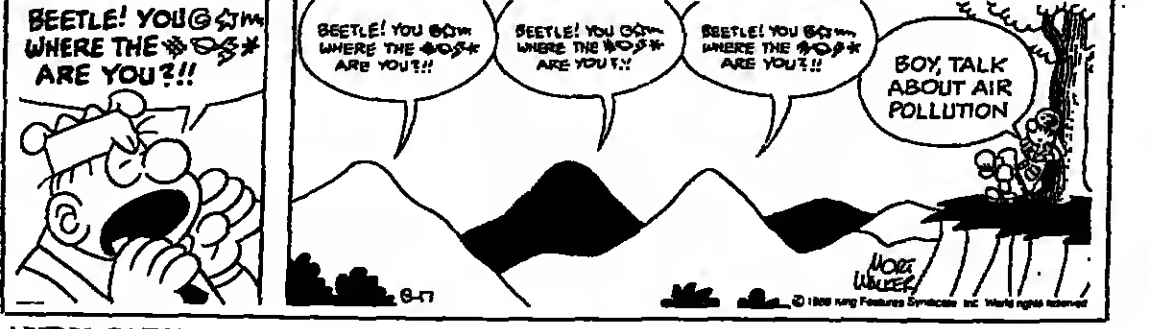
IMP Pair events are now both common and popular. Players are scored as partnerships, with a complex imp comparison scored by computer. One method is to provide an imp comparison with every other table. Another is to eliminate a small percentage of extreme scores, average the remainder, and calculateimps against that average. The third U.S. championship in this category was won by Richard Schwartz and Fred Hamilton.

It is usually wrong to double a game that the opponents have reached voluntarily, but experts will take that course when the cards are lying badly for the declarer and he and his partner are at full stretch in the bidding. Schwartz as West would probably not have doubled if North had raised two hearts to four hearts, for in that situation East could have a virtual yarrowbough. As it was, it was obvious that neither opponent had any strength in reserve, and therefore that East must have some high cards. And both major suits were due to break badly for South. The heart two was led, and when South won with the six he ran the club nine, hoping for some good fortune in that department. East won with the jack, and shifted to a diamond, taken by the ace. South led his remaining club, and West played well by refusing to ruff. South took the ace and led the queen from dummy. East preserved his king. South threw his diamond jack, and West ruffed. Now West cashed the heart ace and led his last trump. South made a total of four trump tricks and three side-suit aces for down three. That was 800 to the defenders, and 11imps.

PEANUTS



BEETLE BAILEY



ANDY CAPP



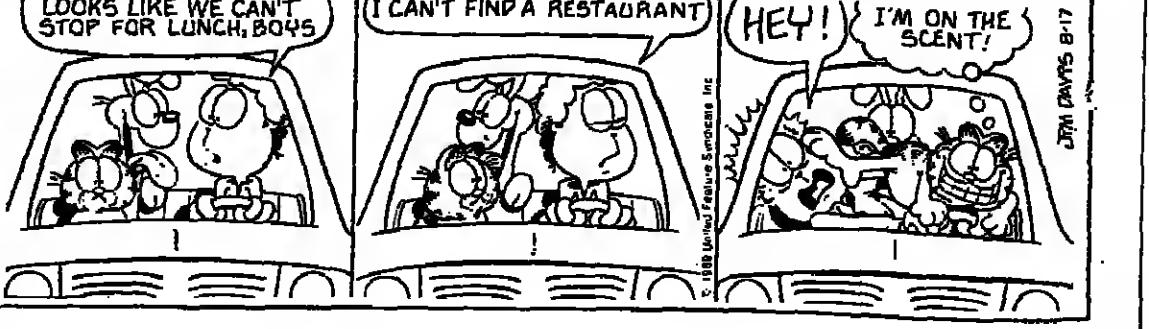
WIZARD OF ID



REX MORGAN



GARFIELD



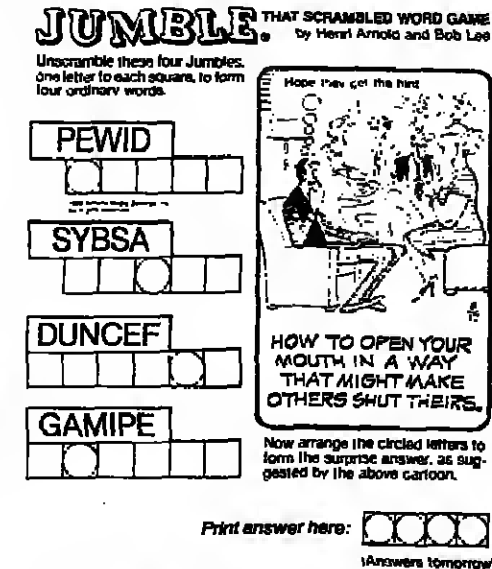
DOONESBURY



DENNIS THE MENACE



JUMBLE



BLONDIE



SPORTS

Atlanta Grapples With 'Losersville' Sports Image

By Peter Applebome
New York Times Service

ATLANTA — Pearl Sandow believes in accentuating the positive, but after attending every home game in the dismal 23-year history of the Atlanta Braves, she knows there's a fine line between being optimistic and being foolish.

"Sometimes I get so mad, I could spank them," Sandow, a retired federal worker, said before watching the San Diego Padres complete a three-game sweep of the last-place Braves here earlier this month. "The Crackers could beat this team half the time."

The Crackers are the old minor-league Atlanta Crackers, and Sandow is not alone in looking to the distant past for sports inspiration.

Dubbed "Losersville" by the local news media in the mid-1970s, Atlanta continues to live up to its reputation as perhaps the nation's least successful professional sports city.

The status of local sports may be best summed up by a popular

bumper sticker not long ago that read "Go Braves—And Take The Falcons With You."

"It's not just the dearth of champions, but the extent of the pathetic performances," said Jon Barry, a 36-year-old commercial real estate broker. "Statistically, it is true. This is Losersville. You would be hard-pressed to find a city more deserving of the crown."

The roll call, please.

There is baseball's Braves, comfortably nestled in last place in the National League West. Since arriving from Milwaukee in 1966, they have won their division just twice before being swept, 3-0, both times in the National League championship series.

There are the Falcons, coming off their customary last-place finish. They have won one playoff game and compiled a 126-205 record since entering the National Football League in 1966.

There are the Hawks, who despite being one of the most competitive National Basketball Association teams in recent years have

compiled a winning playoff record just once since moving to Atlanta in 1968.

That was in 1978-79, when they lost to Washington in the second round of the playoffs.

The closest thing Atlanta had to a winner was the Flames, a hockey

team playing a game few people in

steamy Atlanta followed.

They compiled a .505 winning percentage in Atlanta and then moved in 1980 to Calgary, where they won the Stanley Cup this year.

Atlanta is the only sports city in the country with three or more major league teams that have never competed in a World Series, Super Bowl or NBA champion-

ship final. That Atlanta gets to share some of its frustration with the rest of the country through nationwide Braves broadcasts on Ted Turner's TBS cable network is little consolation.

Atlanta does have one shining moment of glory. It came in April

1974, when Henry Aaron provided

baseball with one of its greatest

achievements by hitting his 715th

career home run, breaking Babe

Ruth's record.

Otherwise, the losing in Atlanta is chronic enough that no one gets too upset with the persistent lag-

gards. It's only the rare teams that show promise that really rouse the

populace.

Some fans still get the shakes at

'Sometimes I get so mad I could spank them.'

Pearl Sandow, a Braves fan.

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Some fans still get the shakes at

the Braves' latest losing streak.

Atlanta's sports image is a

constant source of frustration for

many fans. But for some, like

Pearl Sandow, it's a source of

amusement. "Sometimes I get so

mad, I could spank them," she

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But for most fans, the Braves

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cope with apathy more often than anger. With no real history of winning, there's no tradition that helps continue interest during the losing years.

All three teams have shown they will draw well if they win. The Braves drew 2.1 million in 1983, the year after they won a division title. But a lot of people wonder whether Atlanta, even with winners, would be a great sports town.

"One problem is that nobody seems to be from here," said Bruce Benedict, the Braves' catcher, who was with the team for all or part of the past 11 years. "Everyone is from somewhere else. It's a very transient community."

He added that college and high school football is so big that it's

tough for the Braves to attract fans in September no matter how well they're doing.

Still, if the teams haven't been great successes, the players and management represent the negative image surrounding the city's professional sports.

Stan Kasten, president of the Hawks and Braves, said the Hawks have been one of the best NBA franchises in recent years. He's especially liked by the Losersville tag.

Still, it sometimes takes a Pearl Sandow to be a sports fan in Atlanta. Sandow, who gives her age as "10 years older than dirt," keeps hoping that her day will come. But she knows she'll keep coming back, whether or not the Braves turn into winners.

Track Official Calls for Reforms As Athletes Jockey for Cash, Glory

Compiled by Our Staff From Dispatches

ZURICH — The head of Europe's richest and most prestigious track-and-field meet called Wednesday for concerted moves against rising appearance fees paid to athletes and against the athletes' last-minute pull-outs to avoid facing tough competitors.

Andreas Bruegger, chief organizer of the Weltklasse international meet in Zurich, spoke after Renato Nehemiah, the U.S. athlete who had held the world record in the 110-meter hurdles, and Ibrahim Boutayeb, the men's 10,000-meter Olympic champion from Morocco, pulled out the meet soon before it began.

Bruegger said he will urge fellow organizers of 34 other European meets, grouped in an association that he leads, to band together against inflation in appearance fees charged by athletes, managers and agents.

"I've tried hard over the last 10 to 15 years to keep the structure in line," he told a press conference. "We have to take this up."

An option would be to offer prize money for top finishers while cutting back on flat payouts. A desirable balance would be when 50 percent to 60 percent of athletes' meet receipts are based on performance, Bruegger said.

Zurich this year introduced prize money of up to \$4,000 for the top four finishers in each event, a trial welcomed by "90 percent" of the participants, he said. But prize money makes up only about 10 percent of the more than \$1 million budgeted in athletes' fees at the meet.

Eleven Olympic gold medalists and 11 world champions entered the Zurich meet, which traditionally attracts a bevy of top names in athletics.

The controversy with Nehemiah developed when he wanted to renegotiate an accord under which he was to

get a slightly smaller appearance fee than the two top-

paid entries in the hurdles: Roger Kingdom, the U.S.

double Olympic champion, and Colin Jackson of Britain, the Seoul silver medalist.

Bruegger said he refused to budge and Nehemiah, who had not entered the meet in recent years, packed his bags. Bruegger did not disclose the amounts involved, but he said the difference was "ridiculous."

"It was more a question of principle for Nehemiah," Bruegger added, "I'm very sorry about Renato, but sometimes athletes have difficulty to accept that they have become a bit older."

Boutayeb and Yobes Ondieki of Kenya pulled out of the 5,000-meter race to avoid facing Boutayeb's more famous countryman, Said Aouita, who decided to switch from the 1,500 meters, where he was initially entered.

"Where is sportsmanship in such a decision?" Bruegger said.

Aouita apparently decided to switch to the 5,000 late Tuesday night but there was no official word until Wednesday.

Boutayeb left town, while Ondieki, who has run the year's fastest 5,000, agreed to replace Aouita in the 1,500.

Aouita holds the world records at both distances, as well as in the 2,000, and nearly set a new one in the 1,500 last weekend. But he was apparently seeking in part to avoid a showdown with Sebastian Coe, the British veteran who ran an impressive 1,500 meters Sunday in the British championships.

"Athletes are afraid of each other," Bruegger said. He said meet directors in the future will have to change the way they issue invitations to counter such jockeying, presumably a reference to formal contracts that athletes will have to sign.

(AP Wireters)



Roger Kingdom after setting a new mark in the 110-meter hurdles.

World Record Broken In 110-Meter Hurdles

Reuters

ZURICH — Olympic champion Roger Kingdom kept his promise on Wednesday when he broke the eight-year-old 110-meter hurdle world record at the Zurich Grand Prix track and field meet.

Kingdom blasted from his starting blocks and powered away from the field to clock in 12.92, improving the record by 0.01. The previous mark had been set by fellow-American Renato Nehemiah here in 1981.

Kingdom, who pledged to break the world record this year after winning the world indoor crown in Budapest, was immediately mobbed by his jubilant rivals, who included Olympic silver medalist Colin Jackson of Britain and world champion Greg Foster.

Jackson was second in 13.12 with Foster a disappointing fifth in 13.26. (See Scoreboard.)

Nehemiah was to have competed but withdrew from the meet hours before the start.

"I was second or third out of the blocks but I lost control of the race from the third hurdle," an ecstatic Kingdom said.

"I started to pull away between

the third and sixth barrier — I hit the sixth but I took off again."

And Kingdom paid glowing tribute to those who had barred him to another great moment: "This was the toughest field I have ever had to face," he said.

Earlier, Carl Lewis, the double gold medalist in the Seoul Games, swept to an emphatic victory in the 100 meters, and the Olympic champion Paula Ivan of Romania recorded this year's second-fastest time in the women's 1,500.

Lewis, a strong favorite with the Zurich crowd, powered home after another of his customary slow starts.

British veteran Sebastian Coe, the Olympic champion in 1980 and 1984, was forced to surrender to African youth in an exciting 1,500 meters.

The world junior record holder, Wilfred Kirochi, hung on to win from Coe with fellow Kenyan Kipkoech Cheruiyot third and Olympic champion Peter Rono fourth.

The action began with 300 meters left after the second of the two polemakers had dropped out to leave Cheruiyot at the front of the large field.

Coe made his move at the 200 meters mark, surging through to third place from sixth and eased past Cheruiyot in the straight.

But the 32-year-old Coe's legs could not catch Kirochi, who does not turn 20 until December. The Kenyan triumphed in 3:33.85 with Coe second in 3:34.05.

A sudden squall played havoc with the closing event, the men's 5,000 meters showdown between Olympic champion John Njugai of Kenya and world record holder Said Aouita. The storm also ruined Patrick Sjoeborg's attempt to re-

claim the men's world high jump mark.

Sweden's Sjoeborg gave up in his bid to clear 2.45 meters after pale-force winds demolished the high jump pit. He won the event and the world record holder, Cuba's Javier Sotomayor, was second.

Ngugi and Aouita battled into the teeth of the storm. Ngugi carried the pace alone and pulled Aouita and Portugal's Domingos Castro more than 50 meters clear of the field before Aouita struck typically late to take the honors.

Castro was second and Ngugi third.

Olympic champion Paul Ereng of Kenya played the perfect waiting game to clock the fastest 800 meters time in the world this year of 1:43.16.

After hiding in the pack as Lewis Johnson of the United States and Kenya's Lucas Sang cut off the pace, Ereng struck out the final bend to leave Nixon Kiprotich, his countryman, in second place and Somalia's Abdi Bile third.

Kiprotich clocked 1:43.38 and Bile 1:43.60.

Bauch Reynolds, last year's hero here when he clocked a 400 meters world record of 43.29, failed to repeat the performance. Instead, he ran the second-fastest time in the world this year of 44.31.

Appearing to hold back for the first 200 meters, the American Olympic silver medalist did most of his running around the final bend to hit the home straight in front. But he tired considerably in the closing 400 meters to allow his compatriot Danny Everett, to finish second just 0.05 of a second back.

Cuban Roberto Hernandez was third in 44.76.

Poland Wins Its First European Swimming Title

The Associated Press

BOON — Rafal Szkalak captured Poland's first-ever European Swimming Championships gold medal on Wednesday by winning the men's 100-meter butterfly in 54.47 seconds.

East Germany continued to dominate the women's events, with Manuela Stellmach winning the 200-meter freestyle in a race that saw the Olympic champion and world record-holder, Heike Friedrich, also of East Germany, beaten into fourth place. Susanne Borkmeier won the 200-meter breaststroke.

Tamas Darnyi of Hungary won the 400-meter individual medley in a dramatic duel with East German Patrick Kuehl but failed to

break the world record set at the 1988 Seoul Olympics.

A strong Italian men's team won the 800-meter freestyle relay in a tight finish with second-place West Germany and third-place East Germany.

The winning Italian team consisted of Massimo Trevisan, Roberto Glizia, Giorgio Lamberti and Stefano Battistelli. Lamberti set a world record of 1:46.69 on Tuesday to win the gold medal in the 200-meter freestyle.

Intermittent rain fell during the races, which may have been one reason no world records fell. Szkalak narrowly beat out Bruno Gutzek of France, who finished .03 of a second behind.

West Germany's Martin Herrmann was third in 54.54. (See Scoreboard.)

The 18-year-old Pole was clearly proud of his performance.

"After I swam a personal best in the heats this morning, I knew I was in pretty good shape. I am very happy," he said.

Stellmach gave a thrilling performance in the women's 200-meter freestyle, coming from behind for her victory over Marianne Muis of The Netherlands.

Muis had the quickest times over 50 and 100 meters. But Stellmach made up for the deficit in the third leg, and beat Muis in the finish in a surge of power.

Criminal Inquiry in Stadium Disaster

The Associated Press

SHEFFIELD, England — State prosecutors have ordered a criminal investigation into a soccer stadium crush that killed 95 in April, the police said Wednesday.

A statement by the South Yorkshire police force, which policed Sheffield's Hillsborough stadium during the disaster, said the inquiry

would be carried out by the head of the West Midlands county police force, Geoffrey Dear.

The move means that any of the 1,100 police officers on duty when crowds surged into the stadium during the opening minutes of a Football Association Cup semifinal could be prosecuted. It was Britain's worst sports disaster.

Navy Man Back to Wearing 2 Uniforms

By Michael Wilton

Washington Post Service

SAN DIEGO — Sunday was to be a big afternoon for Napoleon McCallum. It was Military Day at Jack Murphy Stadium. The turnout of uniformed men, in this military town, was heavy.

And when McCallum, a running back from the U.S. Naval Academy, caught a two-yard pass in the fourth quarter of the San Diego Chargers' pre-season loss to the Dallas Cowboys, an ovation was the result.

It was the first National Football League game for McCallum since December 1986, the end of his rookie year with the Los Angeles Raiders. And for this return to action, McCallum was grateful, but not overjoyed. That uneasy two-year reception was the start of his new career as a Charger, but it also was his only play the entire game.

Dan Henning, the Chargers' new coach, had planned for McCallum to play more, but much of the running game was scrapped when the Chargers fell behind early. "I was hoping to play a lot more," McCallum said, "but (Henning) said things didn't go as he expected. We were behind, and I'm not in the passing game as much."

Still, McCallum has dealt with much larger disappointments than this, and he is characteristically upbeat about shaking off the years of football inactivity.

He also hopes he can help the Chargers out of the doldrums as he takes on the new job of Navy recruiter that apparently will allow him to play football while he is serving the remainder of his five-year military commitment.

"This is a Navy town, a lot of the Chargers fans are military people and I feel this is going to be just great," he said.

McCallum, the leading rusher in Naval Academy history, was picked by the Raiders in the NFL's fourth round of 1986. John Lehman, secretary of the Navy at the time, allowed McCallum to play for the Raiders while being stationed on the USS Pele-

McCallum Struggles for an NFL Job

lin, in Long Beach. Despite rigorous duties, he commuted to the Raiders and rushed for 536 yards.

But the following spring, a new secretary, James Webb, who had other ideas about what uniform a Navy man should be wearing, interrupted McCallum's career by sending him to the USS California. Commuting was out, since the guided-missile cruiser, based near Oakland, would be on duty in the Pacific and Indian oceans during the football season.

In fact, while the California was somewhere near the Philippines, his wife Karen sent a telegram that began, "Hi Honey. You've been traded to the San Diego Chargers."

William Ball, the man who succeeded Webb, approved McCallum's request to work as a recruiter in San Diego and play for the Chargers in his "off-duty hours," as long as football did not conflict with his Navy duties.

McCallum, committed to the Navy until the end of 1990, will end his current leave at the end of pre-season training camp and begin recruiting work at the San Diego Naval Recruiting District.

He has been saying ever since his undergraduate days that he and highly visible officer-athletes such as David Robinson, the bas-

ketball center, and Eddie Myers, the football running back, could demonstrate great value to the Navy by being full-time recruiters while playing professionally.

"But at the time when the decision was made not to do it," he said, "those people (in charge) had different goals and objectives. . . I'm just real happy to be able to do this again, and so soon."

There were certainly a lot of times when McCallum wondered about whether he would get the chance before the five years were up, and whether he should even wait it out. Many days McCallum

